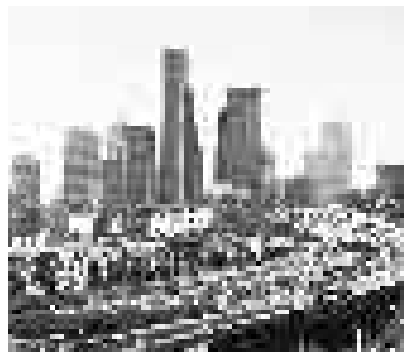


OLDER SUBURBS: CRABGRASS SLUMS OR NEW URBAN FRONTIER?

by Joel Kotkin

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Older Suburbs: Crabgrass Slums or New Urban Frontier?

BY JOEL KOTKIN

Executive Summary

Since the 1950s, suburbia has represented middle-class success and the fulfillment of the “American dream.” More than three-quarters of America’s new population growth has occurred in the suburbs. Indeed, more than half of all Americans now live in suburbs, a higher proportion than any other industrialized nation. More than 80 percent of all demand for office space and new jobs occurs in the suburbs. Between 1988 and 1998, office space in suburbia grew 120 percent, eight times the rate in traditional center cities.

Recently, however, older suburbs—like the urban core before them—appear to be the victims of an ever-expanding metropolitan periphery that lures away residents, workers, and high-tech companies critical to growth in the new information age. In response to this perceived pattern of decay and decline, pundits tout regional government-oriented approaches as the solution.

Although parts of this analysis bear some truth, the older suburb, or “midopolis,” is in fact evolving and, in many cases, thriving. These communities are far more diverse than commonly perceived and, while some are clearly in decline, many are thriving, both demographically and economically. Indeed, in many ways, the rebirth of the suburban community—like the earlier rebirth of the urban core itself—testifies to the changing nature of the new economy and the remarkable ability of people to find new uses for older things. For example,

- ✍ Asking rents for office space are projected to increase faster than regional averages in midopolitan areas such as Dekalb County near Atlanta and the San Gabriel Valley in Southern California;
- ✍ Vacancy rates for multifamily residences are expected to be lower than regional averages in Bellaire/Harwin area of Houston, Santa Clara County, Dekalb County, and the San Gabriel Valley;
- ✍ South Pasadena, just 15 miles east of Los Angeles, saw assessed property valuation increase by 20 percent from 1995 to 2000, significantly higher than the countywide average of 16.5 percent;

- ✍ The distribution of investment and population growth in the inner suburbs is uneven, calling into question the idea that investment and population inevitably migrate to the periphery; and
- ✍ An analysis of 82 cities in Los Angeles County found no significant relationship between the distance from the center city and the growth in urban property values; several cities had high growth rates in assessed property valuation but were in the mid-range of distance from the downtown.

An analysis of the San Fernando Valley, a middle-class suburb north of the Santa Monica Mountains in Los Angeles County, provides a case in point. Developed as a bedroom community beginning in the early 20th century, the Valley is the archetype of midopolis. After a period of decline, vacancy rates for prime office buildings have fallen from 18 percent to 12 percent, and net occupied office rental space has increased by 400,000 square feet. By the end of the 1990s, job creation in the Valley outstripped the rate for Los Angeles County as the Valley employed more than half of the region's media and entertainment industry. More than 5,000 small, specialized creative firms service the region's "cultural-industrial complex." As a result, the residential market remains strong as apartment vacancy rates have fallen from the double digits in 1996 to under 5 percent in 2000. Meanwhile, home prices have remained relatively modest by Southern California standards, ranging from \$200,000 to \$300,000.

The Valley also mirrors the growing social and economic diversity of modern suburbs. While the San Fernando Valley was almost 75 percent Caucasian as recently as 1980, ethnic and racial minorities made up more than half the population by 1998. In the 1990s alone, the Latino population increased by 39 percent and the Asian population increased by 31 percent as more and more minority households migrated to the middle-class lifestyle available in the Valley. Similar ethnic and racial diversity has become evident in suburban and midopolitan communities as diverse as Queens County in New York, Santa Clara and San Mateo Counties in northern California, and Fort Bend County in suburban Houston. Much of this diversity is fueled by foreign-born immigrants who have transformed suburban areas such as Coral Gables outside Miami into ethnic and global business centers. Indeed, the San Gabriel Valley in Southern California has emerged as the nation's largest concentration of Asian-Americans.

The key to securing a thriving economic and social future for midopolitan suburbs is developing a distinct identity and sense of place. Older suburbs with low quality housing stock and deteriorating infrastructure may continue to struggle, but the fate of midopolis does not need to be dismal. Their success will depend mostly on local entrepreneurs, government, and volunteer groups who can shape the future of these communities.

Examples of midopolitan places that have made this transformation are

- ✍ Burbank, California, an aging older suburb that has recast itself as a post-industrial urban village, with an expanding central core and a rich array of high-tech businesses; and
- ✍ Hempstead, New York and the Bellaire area of Houston, aging older suburbs revitalized by new waves of Latin American and Asian immigrants.

When older suburbs across America are studied, much of the gloom predicted for their future is overstated. Additionally, many of the remedies that are promulgated to reverse this decline—most notably stronger regional government—ignore the realities underlying community renaissance. Ultimately, it is the quality of a community, and the commitment of local people to enhance that quality, that proves to be the critical difference between the success and failure of the evolving midopolis.

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Part 1

Introduction: Suburbia and America's Urban Future

Since the 1950s, suburbia has represented middle-class success and the fulfillment of the “American dream.” In many ways, it reflects a perhaps peculiarly American passion for individual expression and autonomy, and directly represents how, since the mid-20th century, American society has decentralized faster than any other society in history. During the last 35 years, 15 of the largest 25 American cities lost 4 million people overall, while the total population rose by 60 million.¹

Since the mid 1960s, large, dense, “vertical cities” with concentrated urban cores (e.g. New York, Chicago, St. Louis) have lost population, while mid-sized horizontal cities better adapted to the automobile and better able to offer a better quality of life have grown rapidly (e.g., Los Angeles, San Diego, Denver, Columbus, Indianapolis). These changes have produced an ever more varied array of community types spreading further over the land.

This process is not new. Many inner-city neighborhoods were suburbs of previous generations. But technology, particularly the automobile, had a revolutionary impact on land-use patterns, beginning as early as the 1920s. Rising incomes, falling transportation costs, and mass-production home-building techniques led to an explosion in new residential housing in the 1940s and 1950s, most often in the periphery of traditional urban areas. In the 1950s and 1960s, the “ranch house”—the staple of the housing boom—dominated the residential building landscape across America. Almost all of the 1.25 million houses built in 1950 were ranches.² Single-family housing on separate lots continued to dominate the residential landscape throughout the latter half of the 20th century, and the fundamental trends of the real-estate market suggest continued decentralization and movement toward low-density living.³

Anthropologist Robert MacAdams observes that the 21st century will see “an awesome technological destruction of distance,” which suggests a further radical rejiggering of the geography of capitalism and technology.⁴ The exponentially rapid development and increasing sophistication of telecommunications makes it increasingly easy to both live and work effectively from the most remote locations. Already, more passenger miles are “saved” via telecommuting than through public transit on national level.⁵ These trends have important implications for the future of the American city and land-use patterns generally, and are likely to reinforce lower-density urban patterns.

¹ Witold Rybczynski and Peter Linneman, “Shrinking Cities,” *Wharton Real Estate Review* (Fall 1997).

² Rosalyn Baxandall and Elizabeth Ewen, *Picture Windows: How the Suburbs Happened* (New York: Basic Books, 2000), p. 133.

³ U.S. Department of Housing and Urban Development, *The State of the Cities 2000: Megaforges Shaping the Future of the Nation's Cities* (Washington, D.C., 2000), p. x.

⁴ Robert MacAdams, “Contexts of Civilizational Collapse,” in *The Collapse of Ancient States and Civilizations*, edited by Norman Yoffee and George L. Cowgill (Tucson, Arizona: University of Arizona Press, 1991), p. 20.

⁵ *If You Build It, Will They Ride?* (Columbus, Ohio: The Buckeye Institute for Public Policy Solutions, October 1999).

Part 2

Suburbs and the 21st Century

Historically, suburbs were not always desirable. In the 18th and 19th centuries, they were predominantly slums. Because transportation and communication were rudimentary and difficult, affluent people preferred to locate close to the central core, often in a harbor or river district, living in an essentially “walking” city. In contrast, poorer working class people lived in shanties and roughly-hewn houses near factories on the outskirts of industrial and commercial districts. “Even the word ‘suburb,’” notes historian Kenneth Jackson, “suggested inferior manners, narrowness of view, and physical squalor.”⁶

Land-use patterns changed dramatically in the later decades of the 19th century. The development of telegraph, telephone, and rail lines opened vast tracts of the urban periphery to a new and more socially diverse group of settlers. Planners and futurists soon saw the move to the countryside as the future not only for the elites, but also for the masses. H.G. Wells, Frank Lloyd Wright, and others embraced the concept of a “middle landscape,” a well-gardened and controlled environment that would both relieve the city of congestion and bring economic life to the countryside. This idea was expressed in the development of attractive “streetcar suburbs” and “garden city” developments around major urban centers.⁷

Over time, the success of these low-density, single-family-home communities altered the patterns of residential settlement. By the 1870s in Philadelphia, for example, there was already a significant movement of families toward the west side of the city and to the suburb of Germantown. The expansion of suburban railroads in and out of Philadelphia accelerated this process, with the largest numbers of civic and business leaders shifting from the central Rittenhouse Square area to Chestnut Hill and other “Mainline” communities.⁸ Similarly, in Chicago, the expansion of rail lines connected the core city with smaller towns as far as 50 miles from the center, and suburbs began emerging rapidly from the Illinois prairie.⁹

The same process occurred in Boston. During the second half of the 19th century, the city was transformed from a tightly packed seaport to a sprawling series of 31 communities spread over a 10-mile radius.¹⁰ Initially, the suburbs were home for the upper-middle class only, but as transportation lines reached out from the inner

⁶ Kenneth Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1985), pp. 16-191.

⁷ William Fulton, *The New Urbanism: Hope or Hype for American Communities?* (Cambridge, Massachusetts: Lincoln Institute for Land Policy, 1996), pp. 7-9.

⁸ E. Digby Baltzell, *Philadelphia Gentlemen: The Making of a National Upper Class* (New Brunswick, New Jersey: Transaction Publishers, 1989), pp. 196-209.

⁹ Ann Durkin Keating, *Building Chicago* (Columbus, Ohio: Ohio State University Press, 1988), p. 16.

¹⁰ Sam Bass Warner, *Street Car Suburbs: The Process of Growth in Boston 1870-1900* (Cambridge, Massachusetts: Harvard University Press, 1962), p. 2.

city and less expensive housing was built, the lower middle classes—artisans, shop-keepers, white-collar clerks—began to buy or rent houses on the expanding periphery.¹¹

By 1900, the suburbs were widely hailed as an ideal that would eradicate both the “evils of city life” and the drudgery of rural existence.¹² Frederick C. Howe, in his 1905 book *The City: The Hope of Democracy*, envisioned the suburbs, not the urban core, as where “the homes of the future will surely be.”¹³ He saw a broad vista of small homes and gardens that would become the “permanent home of the people,” a far cry from the seven- and eight-floor tenement buildings that dominated traditional urban centers at the time.

Ultimately, the suburb became the centerpiece of a vast American vision, in many ways recalling the yeoman ideal of an earlier day that put property ownership at the core of national values. As automobile registrations soared in the 1920s, so did the number of new municipalities that sprang up, offering green grass, new homes, and long-anticipated autonomy to a vast number of people. Cities were, noted *National Geographic* in 1923, “spreading out.”¹⁴

Between the 1920s and 1930s, suburbs grew at twice the rate of urban centers. The Great Depression temporarily slowed this progress but did not stop the trend.¹⁵ At the nadir of national fortune in 1931, President Herbert Hoover noted:

*To possess one’s home is the hope and ambition of almost every individual in this country, whether he lives in a hotel, apartment, or tenement....The immortal ballads, “Home Sweet Home,” “My Old Kentucky Home,” and “Little Gray Home in the West,” were not written about tenements or apartments.*¹⁶

First powered by trains and later by private automobiles, the suburban urge was, if anything, stronger in newer, more industrialized cities such as Detroit. Here the tie to the urban center was far weaker than in older towns such as New York City, Philadelphia, or Boston, and the appeal to escape seemed less anti-social. Places such as Oakland County, which originally attracted summer visitors, now became primary places of residence for many upper-class Detroiters.¹⁷ In 1910, most of the Detroit families listed in social register lived within city limits; by 1930, that number had declined to 7.5 percent.¹⁸

Nowhere was the emerging suburb more powerfully seen than in Southern California. Los Angeles was ideal for building the new suburban utopia: it was new, spacious, relatively cheap, and possessed the nation’s arguably most salubrious climate. In the early decades of the 20th century, Los Angeles was marketed as a tourist and health resort, a gambit that would later be duplicated by modern-day, upscale resort towns such as Park City, Utah in the latter half of the century. Los Angeles’s leaders had a particularly idyllic notion of the community they wanted. In 1908, for example, the city created the nation’s first comprehensive urban zoning

¹¹ Ibid., pp. 55–64.

¹² Scott Donaldson, *The Suburban Myth* (New York: Columbia University Press, 1969), p. 28.

¹³ Ibid., p. 29.

¹⁴ Jackson, *Crabgrass Frontier*, p. 176.

¹⁵ Donaldson, *The Suburban Myth*, p. 3.

¹⁶ Jackson, *Crabgrass Frontier*, p. 172.

¹⁷ Jon C. Teaford, *Post-suburbia: Government and Politics in the Edge Cities* (Baltimore: Johns Hopkins Press, 1997), p. 11.

¹⁸ John C. Clark, et al, *Three Generations in Twentieth Century America: Family, Community, and Nation* (Homewood, Illinois: Dorsey Press, 1977), p. 285.

ordinance.¹⁹ Los Angeles was to be large, but not a city in the conventional sense. Instead, it would be an archipelago of detached middle-class single-family homes comfortably clustered amid a vast village of similar smaller communities, tied together first by the Pacific Union Railway and later by the freeway system.

By the 1930s, this vision had been realized with astounding efficiency. Single-family residences accounted for 93 percent of the city’s residential buildings—almost twice that of Chicago. These homes spread over an area that made Los Angeles the world’s geographically largest city.²⁰ To many Angeleños, this was a vision that replaced the chaos of the city with the pastoral order of villages in paradise. “Los Angeles,” the editor of the *Los Angeles Express* noted:

*...will retain the flowers and orchards and lawns, the invigorating free air from the ocean, the bright sunshine, and the elbow room which have made it as peculiar in the past and which now are secured for all time by the abundance of the water supply. It will not be congested like the older cities, for the transportation lines built in advance of the demands have made it possible to get far out in the midst of orchards and fields for homemaking.*²¹

Los Angeles, it appeared, would become the “middle place,” the new city between the traditional, densely packed urban center and sprawling, low-density rural areas.

The post-World War II suburbs provided many Americans with a sense of comfort they could not find in more traditional urban areas. They offered, notes historian Jon C. Teaford, just an endless procession of lawns and carports, but also “a mixture of escapism and reality.”²² The older suburbs were as much about dreams as about anything else. Robert Moses, the legendary, now often-reviled urban planner, was himself a Long Island suburbanite and saw the natural appeal of these communities to millions of Americans:

*The little identical suburban boxes of average people, which differ only in color and planting, represent a measure of success unheard of by hundreds of millions on other continents. Small plots reflect not merely the rapacity of developers but the caution of owners who do not want too much grass to cut and snow to shovel—details too intimate for historians.*²³

Today’s suburbs reflect the impact of the great economic expansion that followed the Second World War. Aided by federal legislation giving financial aid to veterans allowing them to buy homes and attend college, millions of Americans shared in a new post-urban dream. In the process, the United States achieved a kind of property owners’ democracy unseen in most other advanced industrial countries. By the mid-1980s, more than two-thirds of Americans owned their own homes, double the rate in other relatively prosperous countries such as Germany, Switzerland, France, Great Britain, and Norway.²⁴

¹⁹ David Gebhard and Harriette von Bretton, *Los Angeles in the Thirties: 1931–1941* (Los Angeles: Peregrine Smith, 1975), p. 28.

²⁰ In 1920, Los Angeles was the nation’s fifth largest city with a population of 1.5 million people, but significantly smaller than New York City (7.5 million people). By 1940, Los Angeles was the nation’s largest city geographically, covering 448.3 square miles, triple its size in 1920. In contrast, New York City covered 299 square miles. See U.S. Bureau of the Census, www.census.gov/population/documentation/twps0027/tab17.txt, June 15, 1998.

²¹ John D. Weaver, *El Pueblo Grande* (Los Angeles: Ward Ritchie Press, 1973), pp. 48–51.

²² Teaford, *Post-suburbia*, p.10.

²³ Robert Moses, “Are Cities Dead?” in *Metropolis: Values in Conflict*, C.E. Elias, Jr., James Gillies, and Svend Riemer eds., (Belmont, California: Wadsworth Publishing, 1965), p. 53.

²⁴ Jackson, *Crabgrass Frontier*, p. 7. Despite their egalitarian characteristics and their promise of a piece of paradise for the masses, suburban developments elicited strong negative reactions from critics. The freedom associated with

Suburbs also represented freedom from traditional social constraints. Changing family dynamics in the post-war era actually created conditions ideal for such massive migration to lower-density communities.²⁵ New technology made it possible to shift companies and functions to the hinterlands while the increasing primacy of the individual and the “streamlined” nuclear family over the old extended “village” family removed traditional restraints against the exodus out of the “old neighborhood.”²⁶ Along with greater quality of life, suburbs also offered a haven from crime; even after a decades-long decline in urban crime, the rate of serious offenses in suburbs is a mere fraction of that in the inner cities.²⁷

A. The Emergence of “Midopolis”

Most significantly, the suburbs proved to be an ideal locale for the development of the nation’s advancing manufacturing and science-based economy. Fast-growing areas such as the San Fernando Valley, whose population quintupled between 1944 and 1960,²⁸ the Santa Clara Valley, northeastern New Jersey, and the suburban ring around Boston all provided ideal locations for the burgeoning new industries of the scientific age, including aerospace, computer hardware and software development, and telecommunications industries.²⁹

Mid-century, manufacturing technologies shifted from “batch production” to “just-in-time” or “continuous production.” This required the “horizontal expansion” of manufacturing, rather than the “top-down,” stacked factories previously used.³⁰ Larger firms in technically advanced fields now wanted and needed large campus-like settings—something virtually impossible to find in traditional urban locales. Even the traditional assembly-line manufacturing processes (e.g. automobile manufacturing and assembly) moved toward horizontal-production facilities, often in suburban areas where there was enough land to build these factories. These patterns continued to hold into the late 1990s, as high-tech growth in the suburbs outpaced growth in central cities in every region of the nation.

The rapid development of horizontal industries—and the corresponding rapid deterioration of the urban core—helped accelerate growth of “middle places” after World War II. Between 1970 and 1990, central cities lost 1.3 million two-parent families to the suburbs. In the process, America stopped being fundamentally a nation of traditional cities with dense urban centers. Thirty years ago, suburban areas had 25 percent more families than the city; today they have 75 percent more.³¹ In 1950, only 23 percent of Americans lived in suburbs; today more than 50 percent do (Figure 1).³²

suburban living for the vast middle and working classes had always offended some aristocrats, who never liked the idea of people being able to move around as they wanted. See *ibid.*, p. 42.

²⁵ Joint Center for Housing Studies, Harvard University, Cambridge, Massachusetts, September 7, 1998.

²⁶ Alvin Toffler, *The Third Wave* (New York City: Morrow, 1980), p. 28.

²⁷ U.S. Department of Housing and Urban Development, *State of the Cities 2000* (Washington, D.C., 2000), p.73.

²⁸ William Fulton, *The Reluctant Metropolis: The Politics of Urban Growth in Los Angeles* (Point Arena, California: Solano Books Press, 1997), p. 9.

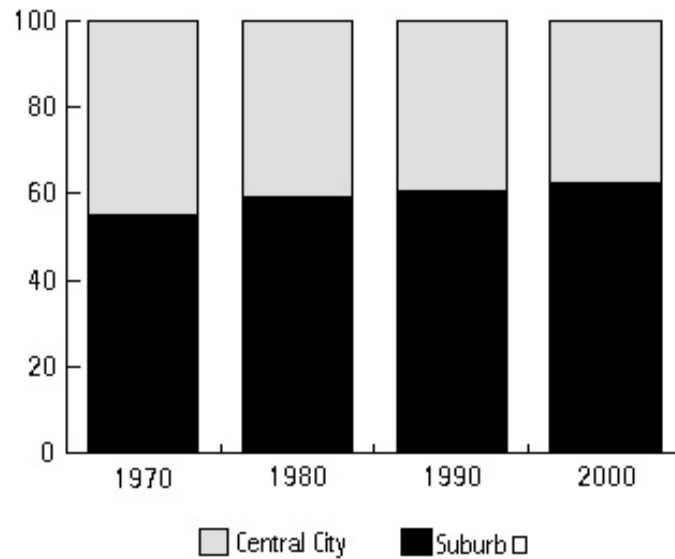
²⁹ Shirley Svorny, *Report of Findings on the San Fernando Valley Economy 1998* (Northridge, California: San Fernando Valley Economic Research Center, California State University/Northridge), p. 14.

³⁰ Raymond Vernon, “The Economic Function of the Suburb,” in *Metropolis: Values in Conflict*, eds. C.E. Elias, Jr., James Gillies, and Svend Riemer (Belmont, California: Wadsworth Publishing, 1965), p. 87.

³¹ U.S. Bureau of the Census, reported in Terence Samuel, “Urban Vigor Is Improving But Has a Way to Go,” *St. Louis Post-Dispatch*, August 14, 1997; Brenden Koerner; et al., “Cities That Work,” *U.S. News and World Report*, June 8, 1998. See also Peter Gordon and Harry W. Richardson, “The Geography of Transportation and Land Use,” in *Smarter Growth: Market-based Strategies for Land-use Planning in the 21st Century*, Randall G. Holcombe and Samuel R. Staley, eds., (Westport, Connecticut: Greenwood Press, 2001), pp. 27–43.

³² Fred Siegel, *The Future Once Happened Here: New York, DC, LA., and the Fate of America’s Big Cities* (New York City: Free Press, 1997), p. x.

Figure 1: The Growth of Suburbs
Suburban Growth Outstrips Central City Growth (1992-2000)



Source: Census of Housing, Federal-State Cooperative Program for Population Estimates (Washington, DC: U.S. Census Bureau, 1998).

Did Suburbs Depopulate the Central Cities?

Conventional wisdom holds that the growth of the suburbs occurred at the expense of traditional central cities. Low-cost land on the fringe of urban areas, along with highway access, made central cities less attractive, luring urban residents into suburban areas.

However, this perception may be more myth than fact. Census data for large urbanized areas reveal that, on average, just 14.8 percent of a region's population growth may be attributable to central-city population decline.¹ Many cities, in fact, continued to grow as their urban area increased, particularly cities in the South and West such as Dallas-Fort Worth, Denver, Phoenix, Atlanta, Sacramento, and Seattle.

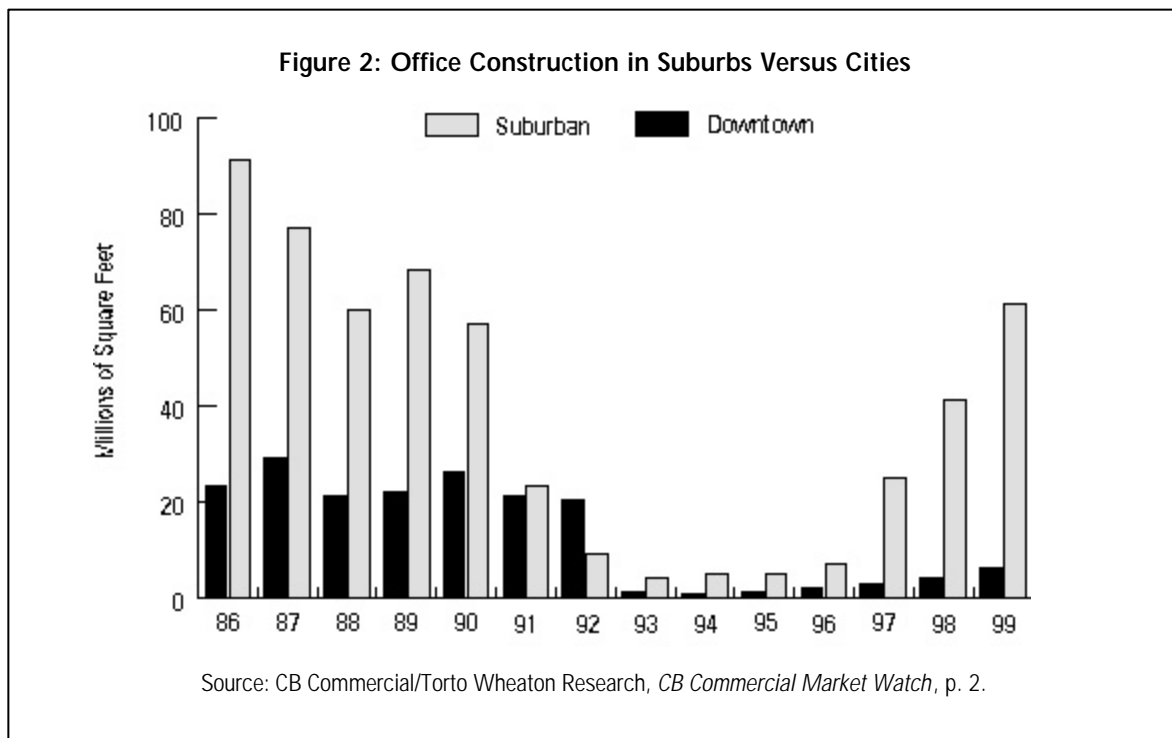
Central-city populations declined significantly relative to suburban growth in northeastern and midwestern cities. Population decline in Pittsburgh, for example, could account for as much as 67.9 percent of the growth in its suburban area population. In Minneapolis-Saint Paul, on the other hand, the central city's population loss may account for just 15 percent of the suburb's growth at the most, similar in proportion to New Orleans and New York City. About one-quarter to one-third of population loss in the cities of Baltimore, Boston, Chicago, Cincinnati, and Philadelphia could be attributed to suburban population growth.²

¹ See the demographic brief at www.demographia.com/db-urb-sub50.htm.

² Alan Wolfe, *One Nation, After All: What Middle Class Americans Really Think About* (New York: Viking, 1998), pp. 191–193.

The result of the shift in industrial processes was the emergence of new type of city: midopolis. The traditional central city began as an economic center, attracting new residents by offering them job opportunities in relatively high-wage manufacturing jobs. Midopolis, in contrast, began with a residential base and grew to incorporate new businesses and industries. It has evolved into a city in its own right.

Office construction in traditionally suburban areas is now outpacing construction in traditional central cities (Figure 2). Residential migration increasingly takes place not so much between cities and suburbs, but between suburbs.³³ Since 1970, cities larger than 250,000 people saw their share of the urban population decline from 32.1 percent to 28.5 percent even as the share of the nation’s population living in urban areas increased more than 75 percent.³⁴ In the “new” city of Charlotte, North Carolina, most automobile trips are cross-county, not from suburb to central city.³⁵ Even around New York City, the most highly developed and powerful urban region in the United States, suburbs now account for well over 60 percent of the region’s population.³⁶ Many nominal New Yorkers seem increasingly detached from the city. Only 20 percent of suburban wage-earners in the region worked within city limits, while less than half visited the city five or more times a year. Three-quarters claimed their lives were barely affected by what went on inside “Gotham.”



³³ Alan Wolfe, *One Nation, After All: What Middle Class Americans Really Think About* (New York: Viking, 1998), pp. 191–193.

³⁴ U.S. Bureau of the Census, *Statistical Abstract of the United States: 2000* (Washington, D.C.: Government Printing Office). Data are for populations living in incorporated places, Table 38. The proportion of people living in incorporated places with populations between 100,000 and 250,000 increased from 10.5 percent in 1970 to 13.5 percent in 1999.

³⁵ This has created a significant transportation management problem, since the limited-access highway system is based on the hub-and-spoke system, funneling most inter-urban traffic into the downtown core. See Center for Interdisciplinary Transportation Studies, University of North Carolina/Charlotte; and Samuel R. Staley, “Mass Transit Won’t Be Able to Fix Charlotte’s Traffic Woes,” *Charlotte Observer*, October 27, 1998.

³⁶ John D. Kasarda, et al., “Central City and Suburban Migration Patterns: Is a Turnaround on the Horizon?” *Housing Policy Debate* (1997), pp. 310–312.

This pattern can also be seen in the movement of business. Surveys of corporate relocation executives show a marked preference for continued expansion in the peripheral suburbs and smaller cities, not in the larger core cities.³⁷ Often this reflects the tastes of top corporate executives, who generally favor suburban lifestyles.³⁸

This trend is particularly marked in both elite business services and high-technology industries, which tend to prefer these locations for a host of reasons, including the relative lack of distractions, lower crime rate and often lower taxes. Most critically, however, these industries favor suburban locations because of their accessibility and attractiveness to needed employees.³⁹ In 1974, core cities accounted for over half these industries' employment; by 1992, their share had dropped to barely one third.⁴⁰

By the mid-1980s, more than two-thirds of Americans owned their own homes, double the rate in other relatively prosperous countries such as Germany, Switzerland, France, Great Britain, and Norway.

B. Trouble in Paradise

By the 1990s, however, midopolis—like the core city before it—showed signs of wear. Crowding, the escalating cost of living, and the growth of new communities on the metropolitan fringes seemed to recreate many of the undesirable traits of more traditional urban areas, from increasing smog and traffic to declining rates of high-school graduation and soaring home prices.⁴¹

The result has been a growing dissatisfaction with life in many midopolitan communities, expressed either in complete migration to other regions or states, or in such social expressions as the proliferation of anti-growth movements.⁴² By the end of the 1990s, only 13 percent of residents in the San Fernando Valley—one of the most prototypical older suburbs—deemed the area an “excellent place” to live, only 9 percent considered it a

³⁷ Ernst and Young, *Reshaping America: The Migration of Corporate Jobs and Facilities*, 1992, p. 9.

³⁸ New office development now tends to be less vertical and more tilted to the suburbs. Roughly 90 percent of all new office building by century's end was taking place in the suburban areas, which house 57 percent of all the offices, compared to just 25 percent in 1975. Between 1988 and 1998, office space in suburbia grew 120 percent compared to a mere 15 percent in the inner city. Roughly 80 percent of all demand for office space and new jobs occurred in the suburbs. See “Will Asian Crisis Spare the Suburbs?” *Real Estate Forum* (November 1998), p. 101; “Suburban Areas Experiencing Massive Office Expansion,” *Salt Lake Enterprise*, August 10, 1998; John Salustri, “Cities in Crisis,” *Real Estate Forum* (June 1995), p. 32; Allen R. Meyerson, *New York Times*, October 13, 1997.

³⁹ Martha O'Mara, “Strategy Location and the Changing Corporation: How Information Age Organizations Make Site Selection Decisions,” Real Estate Research Institute, pp. 21–28.

⁴⁰ Ernst and Young, *Reshaping America*, p. 84. At century's end, in some regions the central city barely factored as even a small part of the high-tech geography. The burgeoning information economy in greater St. Louis, which ranks second in the midwest after Chicago, does not even look to the urban core even for such traditional venues as restaurants, theaters, or high-end business services. Dave Steward, president of World Wide Technology, a successful software company in midopolitan St. Louis County, notes: “The preponderance of our people live in West County or St. Charles—we haven't seen an employee who lives in the city....There's easy access to everything we want here. We have the entertainment, the offices—for technology companies, this is central core.”

⁴¹ *1999 Index of Silicon Valley* (San José, California: Joint Venture Silicon Valley Network, 1999), pp. 10, 17–18.

⁴² “And Shut the Door Behind You,” *Economist*, May 9, 1998, p. 291; Clark, et al., *Three Generations in Twentieth Century America*, p. 483.

good place to raise children.⁴³ Perhaps most disturbingly, despite a strong economy, nearly twice as many believed the quality of life in their community had deteriorated than those who thought it had improved.

This festering dissatisfaction presents a challenge to older, midopolitan suburbs as they compete to maintain and grow their high-tech sectors. In spite of the hype over Silicon Valley, the declining quality of life in nearby Santa Clara Valley has led to a significant out-migration by both firms and middle-income families to other less expensive and crowded cities such as Stockton and Sacramento.⁴⁴ Indeed, many have fled completely out of state to Oregon, Washington, and Utah.

Similar problems—soaring rents and house prices, increased sprawl, traffic congestion—exist in other high-tech residential areas, including Austin, suburban Atlanta, Orange County, the 101 “corridor” north of Los Angeles, and greater Washington, D.C. These problems have led to a growing desire to reign in suburban development and/or slow the growth process through referenda and initiatives.⁴⁵ In some places, growth is being restricted by such environmental issues as lack of water supply and wetlands/wildlife protection.⁴⁶ Yet these efforts also have fallout effects, such as restricting the supply of residential and business space, which leads to even higher costs. Even without major growth restrictions, housing inflation is likely to be greatest in high-tech midopolitan areas over the next decade.⁴⁷

These factors—evidenced by a growing move of technology and skilled workers to peripheral urban areas and even to the hinterlands—have led some observers to predict the same bleak future for the middle-aged, midopolitan suburbs that conventional analysts long envisioned for cities. In this new analysis, older suburbs are destined to decline. Author and pundit Mike Davis puts it this way: “Across the nation, hundreds of aging suburbs are trapped in the same downward spiral—from garden city to crabgrass slum. It is [this] silent but pervasive crisis that dominates the political middle landscape.”⁴⁸ Similar sentiments have been voiced by the “new regionalists,” including Myron Orfield of Minnesota. Orfield and others assert that older suburbs will revive only through a redistribution of growth and income from wealthy suburbs to older suburbs and central cities.

⁴³ Daryl Kennedy, “Suburbia Lost,” *Los Angeles Times*, October 24, 1999.

⁴⁴ *1999 Index of Silicon Valley*, pp. 10–24.

⁴⁵ See the discussion in Samuel R. Staley, Jefferson G. Edgens, and Gerard C.S. Mildner, *A Line in the Land: Urban-growth Boundaries, Smart Growth, and Housing Affordability*, Policy Study No. 263 (Los Angeles: Reason Public Policy Institute, 1999).

⁴⁶ Daryl Kelly, “Ruling Reflects Critical Shift in Water Policy,” *Los Angeles Times*, June 14, 2000; Michael Laris, “Growth Battleground Moves to Courts; Town Sued by Developer, Landowner,” *Washington Post*, September 7, 2000; Jeff Speck, “Sprawl and the Future of the Old Neighborhood,” *Asheville Times-Citizen*, September 3, 2000.

⁴⁷ Mark Zandi, “Outlook for Housing Prices,” *Mortgage Banking*, January 1, 2000.

⁴⁸ Rip Rapson, *In a Borderless World, Where’s the Middle? Reframing the 1945–1965 Suburb* (Minneapolis, Minnesota: University of Minnesota, Community Connections Project, May 1999).

Part 3

“New Urbanism” and the Reality of the Re-emerging Midopolis

The “declinist” view of midopolises resonates with a far older critique of mass suburbs. As long as suburban development was an elitist “garden city,” academics, intellectuals, and planners supported it. But as the suburbs grew and center cities declined, particularly in the latter half of the 20th century, attacks intensified on the expansion of metropolis beyond the urban core. To some, like radical idealist Jane Jacobs, this new model represented the ascendancy of the “suburbanized anti-city” over the historic ideal.⁴⁹

Ultimately, many of the objections to suburbia—then and now—are aesthetic, not economic. What bothered many critics was the largely unplanned, apparently uncoordinated nature of suburban growth. Whereas Jacobs was naturally skeptical of planners, many saw large-scale planning as the antidote to suburban sprawl. In 1964, architecture critic Ada Louise Huxtable wrote in the *New York Times*:

*Only through professional community planning can the chaos of the country’s growth be turned into order. Concern with the total community is a heartening sign of sanity, rationality, and realism in the American approach to the problem of urban expansion. There still may be hope for the American dream.*⁵⁰

Huxtable’s objections are now shared by a contemporary urban-design movement known as “New Urbanism.” According to new urbanists, the post-war rise of suburbs—“the great sweeping away of the old”—was itself a fateful mistake and doomed to failure. The danger now, as one new urbanist put it, is that America will grow “into a placeless collection of subdivisions, strip centers, and office parks” instead of a “real town with real neighbors.”⁵¹ The new urbanists not only consider suburbs to be ugly and anti-ecological, but they also often imply that there is “something wrong” with those who chose to live in them.⁵²

According to Myron Orfield, there is a strong belief that older suburbs are declining even more than traditional cities. Since 1960, many older suburbs have become poorer, in some cases more rapidly than the

⁴⁹ Jane Jacobs, *The Death and Life of Great American Cities* (New York City: Vintage, 1961), pp. 32, 80, 91, 343, 350, 354–355.

⁵⁰ Quoted in Rapson, *In a Borderless World, Where’s the Middle?*

⁵¹ Andres Duany, Elizabeth Plater-Zybeck, and Jeff Speck, *Suburban Nation: The Rise of Sprawl and the Decline of the American Dream* (New York City: North Point Press, 2000), pp. xiii, 4.

⁵² Tom Martinson, *American Dreamscape: The Pursuit of Happiness in Postwar Suburbia* (New York City: Carroll and Graf, 2000), p. xxiii.

central city.⁵³ For some, then, the suburban “experiment” is consequently a dismal failure. And to be sure, in virtually every metropolitan region there are some suburban areas, usually older working-class communities, where the incomes of the residents are below the metropolitan average.⁵⁴ Across the country many aging suburbs, such as Upper Darby near Philadelphia and Harvey outside Chicago, are well on the way to becoming highly diverse suburban slums as businesses move further out into the geographic periphery.⁵⁵ Others—particularly outside Boston, New Orleans, Cleveland, St. Louis, Dallas, and Indianapolis—are struggling to retain their attractiveness as immigrants and non-Caucasians flock to them in ever-larger numbers.⁵⁶

What is new to the current discussion, however, is a political point of view such as Orfield’s that sees older suburbs as the victims, as opposed to perpetrators, of economic change and development. This view paints a rather bleak picture in which affluent people move even further out, leaving both the midopolis and the inner city to house the aged, the destitute, and the newly arrived immigrant. The only solution, he suggests, is to impose a regional solution, run by central planning boards across traditional boundaries, to eliminate the “social polarization and wasteful sprawl that are common in our nation...” Such areas, he continues, are incapable of resisting the “pull” of the newer, brighter, outer suburbs without this kind of regional intervention.⁵⁷

Regionalism has become “the new civil rights movement.”

In Orfield’s world-view, an alliance of “have-nots,” including the older suburbs, does political battle on a regional level against a “favored quarter” of wealthier communities.⁵⁸ This *de facto* political alliance between the midopolis and the inner city recalls the class warfare politics of the late 19th and early 20th centuries. Regionalism has become “the new civil rights movement,” according to one leading advocate.⁵⁹ In fact, it is the same solution as Huxtable’s was almost 40 years ago—except this time coupled with strong regional planning and incorporating both a powerful environmental commitment and the more even distribution of taxable wealth among poorer communities.

The other critical element in the regionalist agenda focuses on restraining so-called “urban sprawl”—essentially eliminating the competition for midopolis and, to a lesser extent, the inner city. The core of this notion is that unplanned growth overcomes the economic and social health of more traditional communities. Over time, this agenda could well be extended to a national stage. By 1999, former Vice President Al Gore was already advocating federal action to restrain suburban sprawl, in which nearly \$10 billion dollars would be used to encourage so-called “Smart Growth” to preserve open space and to promote regional planning. This

⁵³ For an extensive discussion of this, see Myron Orfield, *Metropolitics: A Regional Agenda for Community and Stability*, rev. ed. (Washington, D.C.: Brookings Institution Press and The Lincoln Institute of Land Policy, 1998).

⁵⁴ William H. Lucy and David Phillips, “Suburban Decline: The Next Urban Crisis,” *Issues in Science and Technology* (Fall 2000).

⁵⁵ Michael M. Phillips, “More Suburbs Find City Ills Don’t Respect City Limits,” *Wall Street Journal*, November 13, 1997.

⁵⁶ Richard P. Nathan, “Where the Minority Middle Class Lives,” *Wall Street Journal*, May 22, 1991; Alan Achkar, “Suburb’s Plight,” *Cleveland Plain Dealer*, March 23, 1998.

⁵⁷ Myron Orfield, “Conflict or Consensus?” *Brookings Review* (Fall 1998).

⁵⁸ James S. Russell, “Profound Forces Shaping American Cities,” *Architectural Record* (March 2000).

⁵⁹ Fred Siegel, “Is Regional Government the Answer?” *The Public Interest* (Fall 1999), p. 90.

idea was widely praised by a new urbanist constituency of planners, environmental activists, and some government officials.⁶⁰

The regionalist and new urbanist agenda sees what it considers the failure of the original, planned “bedroom” communities of suburbia, and seeks through public policy to redesign the environment that Americans live in. Many of their complaints have more than a few strands of truth in them. As architect Peter Calthorpe suggests:

*There is a growing sense frustration and placelessness in our suburban landscape, a homogeneous quality which overlays the unique nature of each place with chain-store architecture, scaleless office parks, and monotonous sub-divisions.*⁶¹

William Fulton, a prominent California planning consultant, has pointed out that the new urbanist critique is particularly appropriate when applied to older suburbs. Many of the original advantages of first-wave development—small town feel, lack of traffic, closeness to nature—have been obliterated by succeeding waves of new development in a geographically concentrated space.⁶²

Yet at the heart of the new urbanist vision lies an odd contradiction: that in order to build “true” communities, to recapture much of what we have lost in “organic” communities, direction must come from above, often from a regional agency following (or implementing) the dictates of planning professionals. There is a heavy emphasis on architectural forms and regional government in virtually all the new urbanist prescriptions. Regional government, suggest the authors of *Suburban Nation* (a stinging critique of suburbs and sprawl), specifically calls for “regional planning” as the key to handling a staggering array of functions from transportation and water to housing, economic development, education, and social services. “Regional planning efforts should not stop short of creating detailed physical plans for the development and redevelopment of neighborhoods,” the authors insist.⁶³

While the agenda for the new urbanist plans for suburbia are set largely by environmental and aesthetic concerns, there is also a broader social agenda involved. The regionalist agenda, although eschewing socialist rhetoric, wants to use regional planning to engineer not only environments but society itself. Orfield, for example, speaks in almost messianic terms of “a common connection” developing between the inner city, the midopolitan poor, and environmental interests on the fringe that is based largely on the benefits of redistributing income from wealthy suburbs to poorer suburbs and central cities.⁶⁴ Regionalists propose to take monies from the so-called “favored quarter” of elite suburbs and redistribute them to the inner city and the declining midopolis. They also promote curbs on growth in the outer suburbs by cutting off the supply of new developable sites and thus “forcing” investment into less affluent areas.

One could argue that many of these results could be beneficial if, in fact, they had their intended effect. Yet the notion is troubling that somehow these ends can only be best engineered by bureaucratic means, primarily a unified regional government (e.g. Metro in Portland, Oregon). In the new urbanist world view, a purportedly

⁶⁰ Michael Janofsky, “Gore Plan to Control Suburban Sprawl,” *New York Times*, January 12, 1999.

⁶¹ Peter Calthorpe, *The Next American Metropolis* (New York: Princeton Architectural Press, 1993), p. 18.

⁶² Fulton, *The New Urbanism*, p. 4.

⁶³ Duany, Plater-Zyberk, and Speck, *Suburban Nation*, p. 228.

⁶⁴ Myron Orfield, *Los Angeles Metropolitan* (June 1998), p. 2. See also Orfield, *Metropolitics*. Orfield’s notion of “metropolitics,” or regional policymaking, whether in his native Minneapolis or in Southern California, rarely confronts the fact that, in California at least, there is a growing conflict between suburban environmentalists—who often oppose inner-city developments as well—and the working class, predominately Latino, legislators. See also David Friedman, “A Darker Shade of Green,” *Los Angeles Times*, June 20, 1999.

democratic vision of communities, rather than bubbling up from the market, the will of citizens, and the lowest levels of government, must by necessity be concocted from above. “The greater the fragmentation,” asserts urban policy analyst David Rusk, “the greater fragmentation of society by race and class.”⁶⁵

Before adopting the kind of extreme policy prescriptions proposed by new urbanists—strict zoning, cross-boundary revenue sharing, urban growth boundaries—one must consider that these policies could have exactly the opposite of the intended results. Apartments can be built near rail lines—but, as seen in Portland, Oregon, at least eight out of 10 residents still have to drive to work.⁶⁶ In places like Portland and Minneapolis, where the new urbanist and regionalist agendas have advanced the furthest, the results have been primarily increased housing costs and, at the same time, an accelerated movement of builders further out to the periphery.⁶⁷ In greater Minneapolis, for example, growth has been accelerating exactly where the planners and visionaries would least like to see it—in fringe communities like Wright County. Builders suggest this process has been exacerbated by the restrictive policies of regional planners.⁶⁸

The fact is that people seeking affordable homes and a better quality of life are more likely to see the advantages of living on the periphery in familial and personal terms, rather than in greater sociological terms. As one recent buyer of a Minneapolis area home put it, “To me, the little bit of hassle [with traffic] is worth the nice, huge yard and the quiet neighborhood.”⁶⁹ Such basic human concerns—for scale, ease of living, and local government accountability—are precisely what drove people out of the traditional urban areas in the first place.

Today, regionalists say, the current array of governments not only is unequal and inefficient, but fosters among citizens “a profound and painful sense of isolation.”⁷⁰ Yet it is difficult to see how funneling decision-making to ever more concentrated and elite units of government would assuage this essentially metaphysical malady. In fact, several decades of research on government consolidation have found little evidence that regionalizing government services improves efficiency or accountability.⁷¹

A. The Unexpected Resurgence of the Midopolis and the Inner City

To a large extent, the supposed link between suburban sprawl and the inevitable decline of both the city-center and the older suburbs is a false one. Indeed, recent events show that inner cities in the 1990s—precisely when the issue of sprawl came up to the surface—have been enjoying an economic and cultural renaissance. This revival has important implications for midopolitan suburbs. Although the inner city has failed to revive as an industrial center or an abode for families, many of the nation’s largest central cores have been resuscitated by a remarkable growth in “knowledge-value industries” such as multimedia, entertainment,

⁶⁵ Siegel, “Is Regional Government the Answer?,” p. 91.

⁶⁶ Randall O’Toole, “New Urbanism: The Latest Fad in Urban Planning,” *Reason* (January 1999).

⁶⁷ See the discussion in Staley, Edgens, and Mildner, *A Line in the Land*. See also Samuel R. Staley and Gerard C.S. Mildner, “The Price of Managing Growth,” *Urban Land*, vol. 59, no. 2 (February 2000), pp. 18–22.

⁶⁸ David Peterson, “Small Towns Boom on the Metro Fringe,” *Minneapolis Star Tribune*, February 25, 2000.

⁶⁹ Mike Kaszuka, “Growth, Sprawl, or Just Home?” *Minneapolis Star Tribune*, May 30, 1999.

⁷⁰ “Regions that Work: Cities and Suburbs Living in Harmony,” *The Planning Report* (September 2000).

⁷¹ Summaries of this literature can be found in Ronald J. Oakerson, *Governing Local Public Economies: Creating the Civic Metropolis* (Oakland, California: ICS Press, 1999); George A. Boyne, “Local Government Structure and Performance: Lessons from America?” *Public Administration*, vol. 70 (Autumn 1992), pp. 333–357.

graphic arts, design, and high-end business services.⁷² This next wave of technology ironically no longer requires “horizontal expansion” but returns to the “stackable” shape of industry prior to the information age. Dense locations, in effect, once again become economically viable.

Technology, Urban Rejuvenation, and the Suburbs

Quite unexpectedly, core cities have made use of their traditional strengths as cultural hubs to find new and important niches in the digital age. Although it is difficult to measure, the extent to which “first-tier cities” predominate in the emerging Internet culture can be seen by several measurements. Recent surveys of Internet penetration show that Seattle and San Francisco rank among the few large cities in America with greater than 50 percent Internet use.¹ New York, San Francisco, and Los Angeles are the top three cities with registrations of domain names, another critical indicator.² San Francisco, Boston, Seattle, and Los Angeles all rank near the top number of sites per capita as well.

Indeed, recent analyses of technology-based industries show that many characteristics of urban areas, particularly first-tier cities such as Chicago, New York, and Los Angeles, correlate well with the current wave of technology development. High rankings of cultural amenities, a perception of “coolness,” and even a large presence of homosexuals—as epitomized by such cities as San Francisco and New York—has been shown to be present in the places where the information industry growth has been strongest.³ The primacy of such factors helps make expensive, highly regulated San Francisco and its suburbs among the wealthiest places in the nation and also explains why aesthetically unpleasant places such as Fresno, which is inexpensive and lacking in many cultural amenities, rank near the bottom in terms of economic health.⁴

Increasingly, technology-focused people are found in larger, more culturally and socially vital cities. This can be seen in the surge in demand for programmers during the late 1990s in urban areas such as New York, Boston, San Francisco, Seattle, and Los Angeles.⁵ The cities identified in this paper as “first-tier” (e.g., New York or San Francisco) are best known for their cultural, aesthetic, and artistic distinctiveness. These qualities, in the post-industrial economy, should be seen themselves as arguably more important “business assets” than many more traditional measurements.

These phenomena are now spreading to what may be considered “second-tier” or “emerging” cities such as Oakland, Tulsa, or Baltimore.⁶ All have experienced significant, albeit smaller scale, development of technology and media sectors in recent years. With price inflation in the first-tier cities, and the increasing pressure to contain costs among many information-industry firms, these smaller communities may have excellent prospects in the years ahead.

¹ Scarborough Report, October 19, 1999.

² Data for the year 2000 taken from www.networksolutions.com.

³ Richard Florida, *The Economic Geography of Talent* (Pittsburgh, Pennsylvania: Carnegie Mellon University, September 2000).

⁴ Carl Nolte, “California Century: At the Edge of Millenium, The Future is Here,” *San Francisco Chronicle*, October 8, 1999.

⁵ Ross DeVol, Senior Fellow, the Milken Institute, Santa Monica, California, 1999; Office of Technology Assessment, *The Technological Reshaping of Metropolitan America* (Washington, D.C., September 1995), pp. 84–87; Neal Templin, “Downtown Lofts Beckon in Sunbelt,” *Wall Street Journal*, November 26, 1997.

⁶ According the American Electronics Association, the Tulsa region accounts for about 25 percent of Oklahoma’s population but 60–70 percent of the state’s high-tech employees and revenues.

⁷² Joel Kotkin, *The Future of the Center: The Core City in the New Economy*, Policy Study No. 264 (Los Angeles: Reason Public Policy Institute, November 1999).

Real-estate values have rebounded in many inner cities. In fact, in unlikely places such as the eastern fringes of central Atlanta, decades of “white flight” are now being reversed as more affluent residents move back into older neighborhoods, raising concerns—typical of gentrification everywhere—about home-price inflation and the displacement of existing populations.

This inner-city growth has been accomplished not by building new high-rise apartments or offices, but by restoring older buildings. Across the country over the past few years, there has been a significant turnaround in urban properties, many of them once considered almost ready for demolition. On average, vacancy rates for “Class C” office space—older, typically pre-World War II office buildings and warehouses—have fallen from almost 20 percent to 11.4 percent in just five years (Table 1). This progress has been most visible in “hot” markets like lower Manhattan and Seattle, but also has been noted in such depressed locals as Baltimore and Houston.

Table 1: Change in Class B & C Vacancies in Central Business Districts (CBD) and Downtown for Select Cities

		Market 12/31/95	Submarket 12/31/99	Vacancy Rate Change
Houston	CBD	42.8%	27.5%	15.3%
Baltimore	CBD	24.1%	12.5%	11.6%
Manhattan	Downtown	27.6%	11.6%	16.0%
Seattle	CBD	9.2%	3.3%	5.9%
San Francisco	CBD	14.7%	3.2%	11.5%
U.S. Aggregate	CBD	19.9%	11.4%	8.5%

Note: As of fourth quarter, 1999. Source: www.reis.com

Two forms of demographic change are driving this reversal. In many urban areas, the resurgence is the result of new immigration from abroad. But perhaps even more important for many cities has been the migration of what may be called “new urbanites.” New urbanites hold far more positive views of traditional city life than most middle-class Americans, particularly those with children. City-dwellers by choice, they tend to like the pace and cultural offerings of cities.⁷³ During the 1990s, for example, New York City lost many middle-class families, but these were replaced by younger, better-educated people, many of whom considered the proliferation of cultural institutions as one of their key reasons for settling in the city.⁷⁴ The current wave of urban settlement tends to be young, affluent, and well-educated; 88 percent of residents of lower Manhattan are under 45, most are single, and they each earn upward of \$120,000 a year.⁷⁵

⁷³ Richard V. Knight, “City Development and Urbanization: Building the Knowledge-based City,” in *Cities in a Global Society*, eds. Richard V. Knight and Gary Gappert (Newbury Park, California: Sage Publications, 1989), p. 237; Christy Fisher, “What We Love and Hate About Cities,” *American Demographics* (October 1997).

⁷⁴ William Kornblum, “New York Under Siege,” in *The Other City: People and Politics in New York and London*, Susanne MacGregor and Arthur Lipow, eds. (Atlantic Highlands, New Jersey: Humanities Press, 1995), p. 37; “Why People Move in and Move Out of New York,” Louis Harris Associates, study conducted for the Manhattan Institute and the Commonwealth Fund (1993), p. 3.

⁷⁵ See the discussion and data cited in Bill Torpy, “Reverse White Flight: Trendy Buyers Head to Eastern Atlanta, But Not All Change is Welcome,” *Atlanta Constitution*, March 21, 1999. “Second Annual Rouse Forum on the American City,” *Business Wire*, September 28, 1998.

This is not just a New York City-only phenomenon; in most first-tier, and even some other cities, central districts have been gaining residents, in some places at a rapid rate.⁷⁶ The decade-long reduction in crime rates in many cities, notably New York, Los Angeles, and Chicago, may also have accelerated this trend.⁷⁷ Indeed, the recovery of the urban core could well transform the midopolis—neatly tucked between the burgeoning periphery and reviving city center—as the geographic navel of the new metropolitan archipelago.

B. Nuances in Midopolitan Study

To date, few have analyzed the midopolis—the older, inner suburb that has now matured to become a city in its own right. A large, statistically-oriented, or even dispassionate anecdotal literature has yet to develop for midopolis, as it has for traditional cities. Yet evidence gleaned from real-estate trends and other sources reveal a diverse picture, not too dissimilar from that of the traditional cities.

Generally speaking, some inner-ring suburbs thrived during the expansion of the 1990s. A look at real-estate patterns shows considerable improvement in both multi-family housing and office markets in many older suburbs, from California to Atlanta to Texas. This has been particularly marked as Sunbelt economies have grown outward and inwards to older suburbs and the center city.

What the data reveal is a far more nuanced picture in Sunbelt cities than commonly supposed. Rent growth in older suburban areas—such as Bellaire/Harwin in Houston, the San Gabriel Valley east of Los Angeles, DeKalb in Atlanta and Santa Clara in Silicon Valley—has either closely followed that of the entire region, or in some cases, actually surpassed that of the entire surrounding region. In many cases, the prognosis for the future either is for these trends to continue and/or for growth in the older suburban areas to exceed that of the metropolitan region.

Table 2: Office Market Trends in San José, Atlanta, Houston, and Los Angeles

		Asking Rent Growth		Average Vacancy		Inventory Growth	
Metro Area	Submarket	1Q 2000	5-year Forecast	1Q 2000	5-year Forecast	1Q 2000	5-year Forecast
San José	Santa Clara	27.5%	10.9%	1.8%	5.4%	0.0%	7.0%
	Metropolitan area	25.5%	10.3%	2.3%	5.5%	0.7%	5.7%
Houston	Bellaire/Harwin	1.5%	3.4%	10.3%	10.7%	0.5%	1.6%
	Metropolitan area	3.0%	3.9%	11.4%	11.9%	0.7%	2.9%
Los Angeles	San Gabriel Valley	3.2%	5.5%	11.8%	8.2%	0.0%	2.0%
	Metropolitan area	5.0%	5.2%	10.9%	11.4%	1.0%	2.7%
Atlanta	DeKalb County	30.0%	4.8%	5.5%	7.0%	-8.0%	3.9%
	Metropolitan Area	2.1%	4.0%	8.1%	10.6%	1.4%	4.5%

Source: www.Reis.Com

⁷⁶ *Rouse Forum Survey*, Center on Urban and Metropolitan Policy (Washington, D.C.: Brookings Institute, September 1999).

⁷⁷ Pietro S. Nivola, *Laws of the Landscape: How Politics Shaped Cities in Europe and America* (Washington, D.C.: Brookings Institution, 1999), p. 72. Of course, not all cities are enjoying this trend. Clearly, some once-prominent industrial cities (e.g. St. Louis, Detroit, and Buffalo) have not made strong recoveries. These cities continue to lose population to other regions as well as to their own sprawling suburbs. Nevertheless, many other cities—ranging from Baltimore and Philadelphia on the East Coast to Tulsa and downtown Dallas in the heartland and Oakland on the West Coast—increasingly have begun to enjoy similar, if less dramatic, recoveries.

Table 3: Multifamily Market Trends in San José, Houston, Atlanta, and Los Angeles

			Asking Rent Growth		Average Vacancy		Inventory Growth	
Metro	Submarket	1H 00	5 Yr. Forecast	1H 00	5 Yr. Forecast	1H 00	5 Yr. Forecast	
San José	Santa Clara	9.5%	8.0%	1.8%	1.9%	2.6%	2.8%	
	MSA	9.6%	8.0%	1.7%	2.1%	1.4%	2.7%	
Houston	Bellaire/Harwin	3.9%	5.5%	3.9%	5.7%	1.6%	0.8%	
	MSA	2.5%	4.7%	5.6%	7.2%	1.4%	1.9%	
Los Angeles	San Gabriel Valley	4.5%	4.9%	2.6%	2.8%	0.0%	0.9%	
	MSA	4.9%	5.4%	2.6%	3.3%	0.1%	1.3%	
Atlanta	DeKalb County	2.6%	3.5%	4.9%	5.1%	0.3%	0.9%	
	MSA	2.0%	3.2%	5.4%	5.9%	1.3%	2.3%	

Source: www.Reis.Com

The rise of central cities—both in first-tier and second-tier urban centers—places the midopolis in a far different light than commonly portrayed. As the central city revives, the older suburbs tend to recover their geographic identity. That is, they are actually becoming again “bedroom communities,” close to “where the action is.” They are precisely in the middle between older central cities, which still represent significant employment centers, and the fast-growing hinterlands. As a result, they provide two-career couples with the widest range of employment options.

This phenomenon can be seen in places like metropolitan Detroit, where older satellite cities and suburbs such as Southfield and Pontiac have enjoyed strong resurgences. Troy, an industrial city just north of Detroit, has experienced population growth of more than 8 percent since 1990 (albeit most of it the first half of the decade).⁷⁸ These and other older suburban communities have seen strong increases in new home building and commercial development. Three major attractions cited by those moving to these areas are shorter commutes, older, charming homes, and a better developed sense of “identity” than commonly found in newer suburbs.⁷⁹ By the late 1990s, these areas were enjoying the most rapid appreciation of real estate values in their respective regions.⁸⁰

Of course, these broad strokes do not tell the whole story as well as a more refined analysis would. Distinctions can be made by looking at the type or character of a particular suburb. Alexandria, Virginia outside of Washington, D.C., for example, has roots extending to colonial times, as well as many of the amenities sought by homebuyers and businesses. “Historical” communities—such as Alexandria—frequently have an excellent, older housing stock, a quaint but well-maintained “Main Street,” and often superior schools.⁸¹ Other, less historic suburbs are also doing well. Arlington, for example, lacks Alexandria’s historic character, but has experienced significant new investment and is host to one of suburban Washington, D.C.’s strongest real-estate markets. In contrast, newer, more peripheral suburbs such as in Prince William County have lagged with weak housing prices and profound fiscal problems.⁸²

⁷⁸ Land use in Troy is evenly split between residential use and industrial/commercial use, 80 percent of which is developed. See www.ci.troy.mi.us.

⁷⁹ Tanya Albert, “Building Boom Gives Old Suburbs New Life, Homes,” *Detroit News*, May 5, 2000.

⁸⁰ Gordon Trowbridge, “Detroit, Older Suburbs Gain from Land Value Boom,” *Detroit News*, February 11, 2000.

⁸¹ Diane Granat, “Neighborhoods Where You can Walk to Shops, Restaurants, Parks, Schools, and Jobs Can Be Wonderful Places to Make a Home,” *Washingtonian* (March 2000).

⁸² Prince William County experienced a surge of homebuilding in the 1990s that greatly increased the supply of new housing for entry-level homeowners. As a result, home prices have lagged in other areas. See Sandy Hillyer, “In Virginia, A Plan to Grow Slow,” *Washington Post*, August 2, 1998.

City	County	Population '99	Growth '90--'99	Growth '90-'95	Growth '95-'99
Dearborn	Wayne	88,215	-0.88%	-0.75%	-0.14%
Dearborn Heights	Wayne	57,753	-4.75%	-2.50%	-2.31%
Detroit	Wayne	965,084	-6.18%	-2.43%	-3.85%
Farmington Hills	Oakland	79,693	6.53%	5.67%	0.82%
Livonia	Wayne	100,160	-0.55%	0.57%	-1.11%
Pontiac	Oakland	68,149	-4.44%	-1.69%	-2.80%
Rochester Hills	Oakland	67,412	8.65%	7.10%	1.44%
Royal Oak	Oakland	63,700	-1.06%	1.70%	-2.71%
Southfield	Oakland	74,725	-1.56%	-0.14%	-1.42%
Taylor	Wayne	72,029	2.14%	3.68%	-1.48%
Westland	Wayne	86,369	2.46%	2.90%	-0.43%
Troy	Oakland	79,074	8.20%	7.77%	0.41%
Total	Wayne	2,106,495	-0.11%	1.06%	-1.16%
Total	Oakland	1,179,978	8.61%	5.94%	2.52%

Note: Cities over 50,000 population in 1999 in Oakland and Wayne Counties, Michigan.

Source: Population Estimates Program, Population Division, U.S. Census Bureau, Washington, D.C., October 20, 2000, www.census.gov/population/estimates/metro-city.

In many cases, the fate of the midopolis may stem from its origins. Some, like Harvey on the southern outskirts of Chicago, were built and designed at the turn of the last century around manufacturing plants, and have consequently suffered with the decline of the industrial economy. In contrast, Kenilworth, located to the north, was developed as a “model suburban town” for commuters going into “the Loop.” Its high quality of life has kept the community affluent and successful during its transition to a post-industrial economy.⁸³

1. Los Angeles and Southern California

The prototypical pattern of decline and rejuvenation of the midopolis can be seen clearly in southern California. As the region recovered from its early 1990s doldrums, some older, industrial, traditional working class suburbs such as Inglewood, Compton, and Pomona languished economically, with unemployment rates as high as 10 percent in an otherwise strong economy. In contrast, unemployment rates in more appealing areas such as Cerritos, Burbank, and Whittier were 4 percent or lower.⁸⁴ The South Bay cities—older suburbs by the beach such as Manhattan Beach, Redondo Beach, and Hermosa Beach—have been particularly rejuvenated in the recent recovery, disproving widespread concern for their fate in the post-aerospace era. In the late 1990s, they have enjoyed among the highest increases in property values, diminished rates of office vacancies, and the strongest labor force growth (see Table 5).⁸⁵ Indeed, in contradiction to the patterns predicted by critics of sprawl, many of the midopolises of Los Angeles have rebounded smartly—most particularly the smaller, independent cities on the immediate periphery of the city, which can offer amenities and a higher quality of life. Not coincidentally, these midopolises also host the largest concentrations of major companies in the Los Angeles basin.⁸⁶

⁸³ Ann Durkin Keating, *Building Chicago* (Columbus, Ohio: Ohio State University Press, 1988), pp. 26–28.

⁸⁴ “L.A. County Unemployment,” *Los Angeles Business Journal*, March 5, 2000.

⁸⁵ Howard Fine, “Property Values Hit Pre-recession Level,” *Los Angeles Business Journal*, July 31, 2000; “Real Estate Trends,” *Los Angeles Times*, February 1, 2000; Edvard Petersson, “Business by the Bay,” *Los Angeles Business Journal* November 29, 1999.

⁸⁶ Michael Hart, “Silence is Golden for L.A.’s Largest Firms,” *Los Angeles Business Journal*, October 30, 2000.

Table 5: Fastest Growing Assessed Values in Los Angeles County

City	1995	2000	% Change
Manhattan Beach	\$4,182,618,485	\$5,806,345,323	38.8%
Santa Clarita	\$7,811,797,363	\$10,661,691,434	36.5%
La Canada	\$2,131,164,640	\$2,902,555,622	36.2%
Hidden Hills	\$435,969,848	\$589,341,231	35.2%
Bradbury	\$156,780,359	\$209,452,902	33.6%
Santa Monica	\$9,340,666,501	\$12,359,792,214	32.3%
Hermosa Beach	\$1,669,001,599	\$2,189,260,184	31.2%
Palos Verdes	\$2,250,935,436	\$2,941,853,689	30.7%
Rolling Hills	\$553,795,689	\$714,330,754	29.0%
El Segundo	\$5,095,462,968	\$6,552,037,171	28.6%
Malibu	\$3,526,360,170	\$4,518,077,849	28.1%
San Marino	\$1,860,965,882	\$2,372,885,217	27.5%
Rolling Hills Estates	\$1,131,104,162	\$1,432,620,934	26.7%
Calabasas	\$2,542,642,784	\$3,208,817,999	26.2%
La Verne	\$1,558,048,767	\$1,950,518,237	25.2%
Los Angeles	\$187,776,447,661	\$217,357,687,714	15.8%

Source: *Annual Report—Roll Call*, Los Angeles County Assessor's Office, Los Angeles, California, 1995–2000.

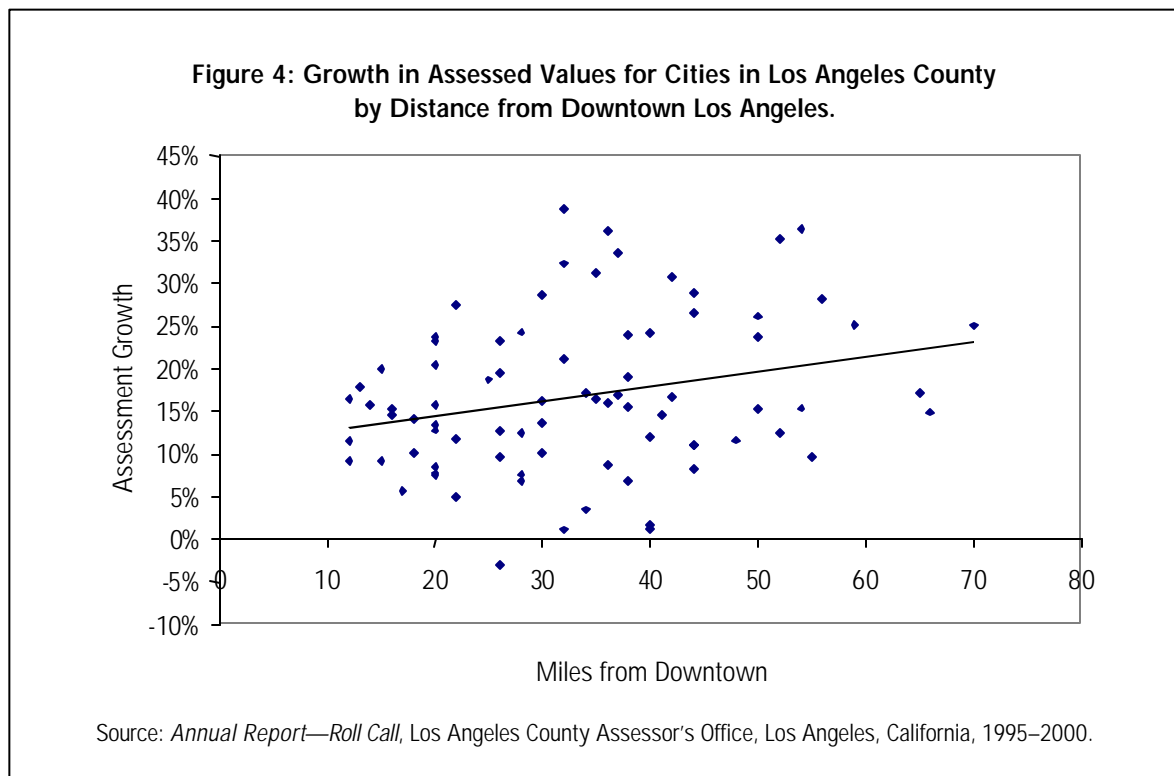
The recovery of the urban core could well transform the midopolis—neatly tucked between the burgeoning periphery and reviving city center—as the geographic navel of the new metropolitan archipelago.

One major factor for the health of these Los Angeles-region midopolises is their suitability to the new Internet- and technology-driven businesses. Southern California is very technology- and media-rich. Pasadena, for example, one of the oldest suburbs of Los Angeles, has become a major center for tech-led growth, serving as headquarters for both Gemstar, a major media firm, and Idealab!, the nation's premier Internet incubator.⁸⁷ Major biotech and other industries are being developed in this and other midopolitan cities, and both rents and vacancy rates reflect the area's powerful dynamism.

Property-value assessments are an indicator of the strength of these land markets. Cities with strong markets experience higher growth in property tax values, either through demand-driven increases in value for existing homes or through investment in new housing and commerce. An examination of property values for almost 90 cities in Los Angeles County reveals a virtually random pattern. A number of older, closer-in suburbs of the City of Los Angeles perform very well. For example, South Pasadena, just 15 miles east of Los Angeles, saw assessed valuation increase by 20 percent between 1995 and 2000, significantly higher than the county-wide average of 16.5 percent (17.1 percent excluding the city of Los Angeles). Other close-in suburbs experiencing high rates of assessed valuation include Burbank, Arcadia, and Culver City (Figure 3). The share of the county's property values located in the City of Los Angeles fell slightly during this period (from 41.1 percent to 40.8 percent) but the city's assessed valuation climbed 15.8 percent to more than \$217 billion. Thus, consistent with national trends, investment continues to migrate out of the central city.

⁸⁷ Andrew Pollack, "Maker of On-screen Guide for TV Has Eye on Future," *New York Times*, October 18, 1999; "Paul Jacobs Biotech Facility Planned for Pasadena's High-tech Zone," *Los Angeles Times*, December 14, 1999; "Real Estate Trends," *Los Angeles Times*, November 9, 1999.

Although investment has been migrating to the suburbs, the distribution of this investment is uneven. Regionalists have argued that investment tends to be lumped in specific geographic areas and concentrated in areas further and further away from the traditional urban core. Often, this relationship is described as a straight line: economic health and wealth increases directly and significantly the further a city is from the urban core. One way to evaluate this thesis is to look at property-assessment growth rates in cities further and further away from the traditional urban core. In this case, data for 82 cities in Los Angeles County were analyzed to determine whether property increased at a faster rate for cities further from downtown Los Angeles. Indeed, overall growth appeared to increase as cities progressed further away from the downtown, as the trend line in Figure 4 illustrates. This trend, however, is slight and not statistically significant. Numerous cities have very high growth rates in assessed property value, but most are clustered in the mid-range of distance from the downtown (30–50 miles).⁸⁸ These cities include upscale beach communities such as Malibu, Santa Monica, Manhattan Beach, and Redondo Beach, as well as more middle-income suburbs such as Bradbury, Palos Verdes, Burbank, Carson, and Compton.

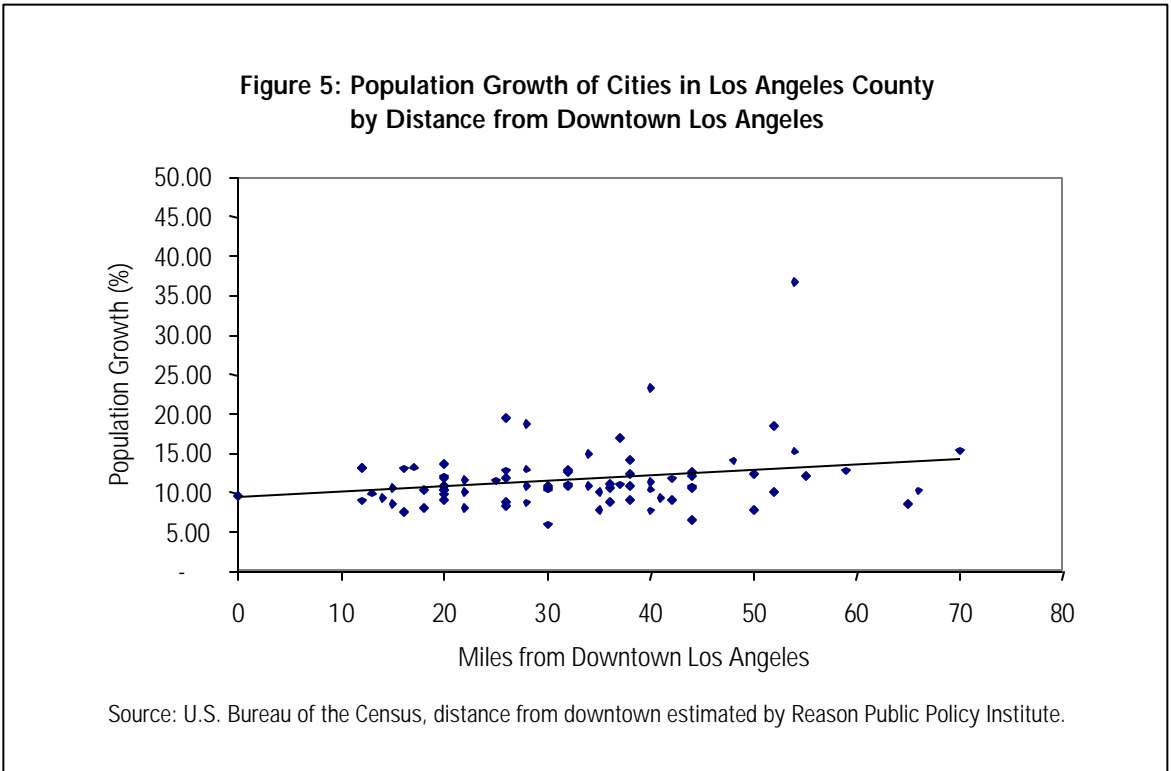


When the analysis is extended to population growth, several older suburbs perform well. While the city of Los Angeles's population increased to 3.8 million people (a gain of 9.8 percent) during the 1990s, Burbank's population increased by 13.7 percent, Monrovia's population increased by 14.9 percent, and Lancaster's population increased by 36.1 percent (Table 6). Paramount, a city about 28 miles southeast of the City of Los Angeles, experienced population growth of 18.7 percent during the decade. When population growth is plotted against distance from downtown Los Angeles, virtually no relationship is statistically evident (see trend line in Figure 5).

⁸⁸ The Pearson correlation coefficient between the growth rate and assessed value and distance from downtown Los Angeles is 0.153 for all 82 cities for which data were available and -0.06 for the top 20 cities. This suggests that the statistical link between economic growth and distance from the central city is weak.

Table 6: Fastest Growing Cities in Los Angeles County					
	Cites	Year Incorp.	Population		Growth
			1990	1999	
1	Palmdale		68,946	122,400	77.5%
2	Santa Clarita		110,690	151,300	36.7%
3	Lancaster	1906	97,300	132,400	36.1%
4	La Mirada	1954	40,452	49,900	23.4%
5	Gardena		49,841	59,600	19.6%
6	Paramount		47,669	56,600	18.7%
7	Hidden Hills	1961	1,729	2,050	18.6%
8	Bradbury	1957	829	970	17.0%
9	Westlake Village		7,455	8,600	15.4%
10	San Dimas		32,398	37,350	15.3%
11	Monrovia	1887	35,733	41,050	14.9%
12	Irwindale		1,050	1,200	14.3%
13	La Puente	1954	36,955	42,200	14.2%
14	Walnut	1959	29,105	33,200	14.1%
15	Burbank	1887	93,649	106,500	13.7%
	Los Angeles	1781	3,485,557	3,823,000	9.7%

Source: U.S. Bureau of the Census.



In other parts of the country, one key to the resurgence of midopolises is their proximity to “nerdistans”—smaller-scale, technology-based, planned cities on the very periphery of the urban landscape (see Appendix). Historically, suburbs have grown rapidly in relation to their center cities. This made sense when employment was concentrated in manufacturing, and facilities were concentrated in dense, urban areas. Increasingly, however, the spatial distribution of growth is driven by technology, falling transportation costs, and the residential preferences of entrepreneurs and workers. Places such as Redwood City—a post-World War II tract/suburb south of San Francisco—have rapidly emerged as growth poles for technology companies and

workers moving northward from Santa Clara County. San Mateo County, sandwiched between San José and San Francisco and once considered a “suburban” backwater, has become a primary location for Internet-based, communications, and other technology firms.

In the process, housing, office, and warehouse prices have shot up dramatically. In the case of these Bay Area suburbs, the growth in affluence has further accelerated the rapid inflation of property prices in the San Francisco city-center market. Palo Alto, once a sleepy suburban community with an old-style downtown, has emerged as a major center of the high-tech community, leading one observer to describe it as Silicon Valley’s “capital city.”⁸⁹ Of course, the presence of Stanford University is a factor, but the spread of successful midopolitan communities all the way to the borders of San Francisco, a 45-minute drive to the north, goes well beyond the “college town” explanation.

2. Dallas

The process of economic differentiation also can be seen in non-California midopolitan environments. The late 1990s in Dallas, another area of technology and economic growth, saw both an increase in growth on the outer periphery and considerable improvement in the condition of many midopolitan areas both within and outside the city limits.

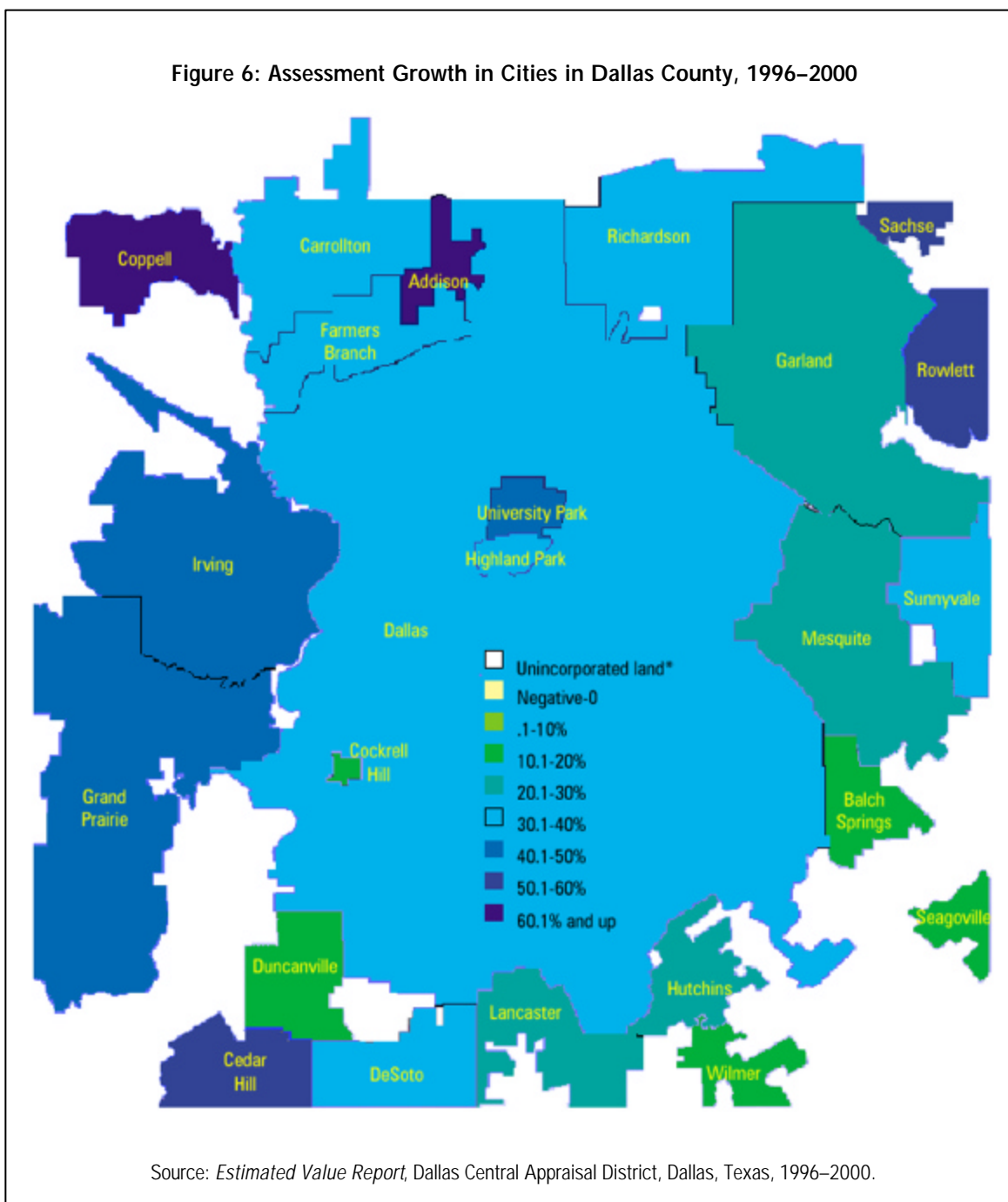
Dallas area real-estate prices tell the story. Property values increased by more than one-third since 1996, according to the Dallas Central Appraisal District (Table 7). As in Los Angeles, some of the communities experiencing the highest growth were new suburban, upscale communities, such as Addison and University Park. Since the early 1990s, many older, more middle class areas—frequently blessed with attractive homes and tree-lined streets—have improved considerably to the north of downtown (Figure 6). Other suburban communities also experienced substantial increases in property value, including Coppell and Irving. Some older suburbs to the south of downtown Dallas, however, have not shared fully in the regional real-estate recovery. These areas are typically older, working-class communities with smaller, less attractive housing stock.

Table 7: Top 10 Cities in Dallas County—Growth of Property Value Assessments

City	1996	2000	Growth
Coppell	\$1,699,138,612	\$2,939,494,076	73.0%
Wilmer	\$31,031,113	\$53,112,953	71.2%
Addison	\$1,894,847,679	\$3,109,059,034	64.1%
Glenn Heights	\$98,466,236	\$159,767,923	62.3%
Cedar Hill	\$850,506,406	\$1,331,456,428	56.5%
Rowlett	\$1,235,538,148	\$1,900,615,278	53.8%
Sachse	\$206,462,087	\$315,906,120	53.0%
Irving	\$9,043,287,132	\$13,207,449,521	46.0%
University Park	\$2,056,766,666	\$2,897,412,311	40.9%
Grand Prairie	\$3,966,035,046	\$5,558,919,723	40.2%
City of Dallas	\$43,812,624,009	\$59,580,577,492	36.0%
Dallas County	\$92,701,479,247	\$127,439,053,988	37.5%
County w/o Dallas City	\$92,658,830,507	\$127,388,886,744	37.5%

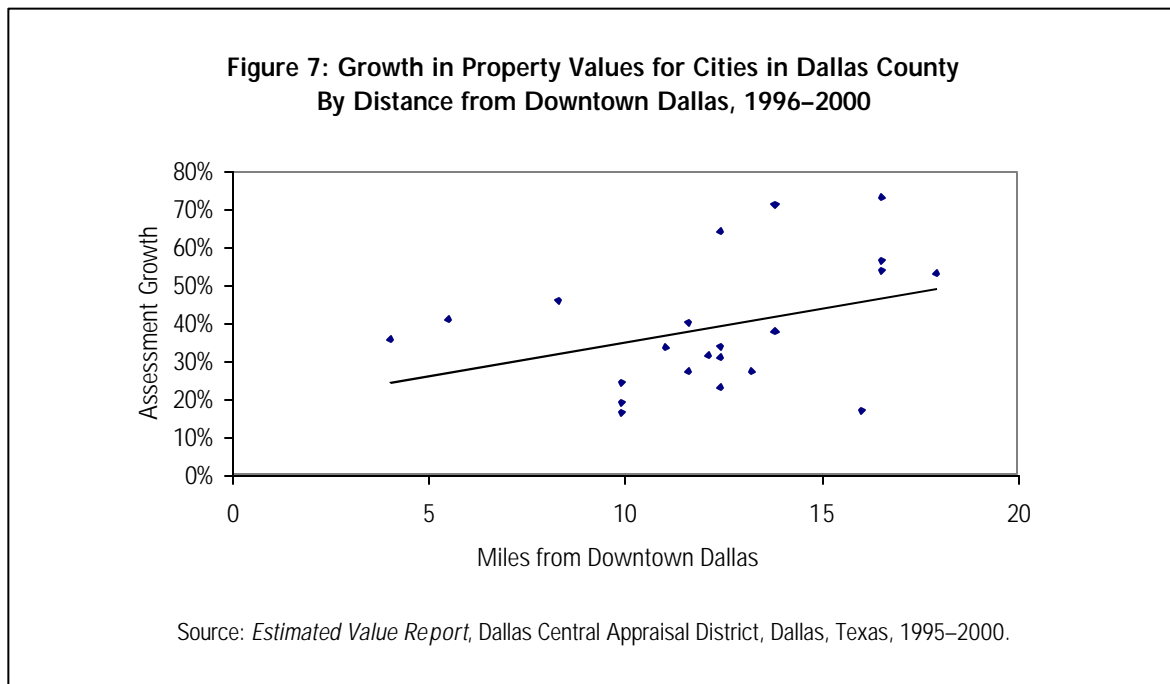
Source: U.S. Brueau of Census

⁸⁹ Gayle M.B. Hanson, “Silicon Valley’s Capital City,” *Insight*, March 15, 1999.



When the growth in property values is examined more closely, distance from downtown Dallas appears to be more important than in Los Angeles (Figure 7).⁹⁰ This most likely reflects the lay-out of Dallas County. The county has 25 municipalities, but the city of Dallas encompasses a substantial portion of the county. Only four of other cities—University Park, Highland Park, Cockrell Hill, and Balch Springs—are inside the I-637 beltway (LBJ Freeway).

⁹⁰ The Pearson correlation coefficient for 22 cities (excluding the city of Dallas), relating distance to assessment growth, was 0.367, suggesting a strong statistical link between distance from the central city core and the growth of outlying cities.



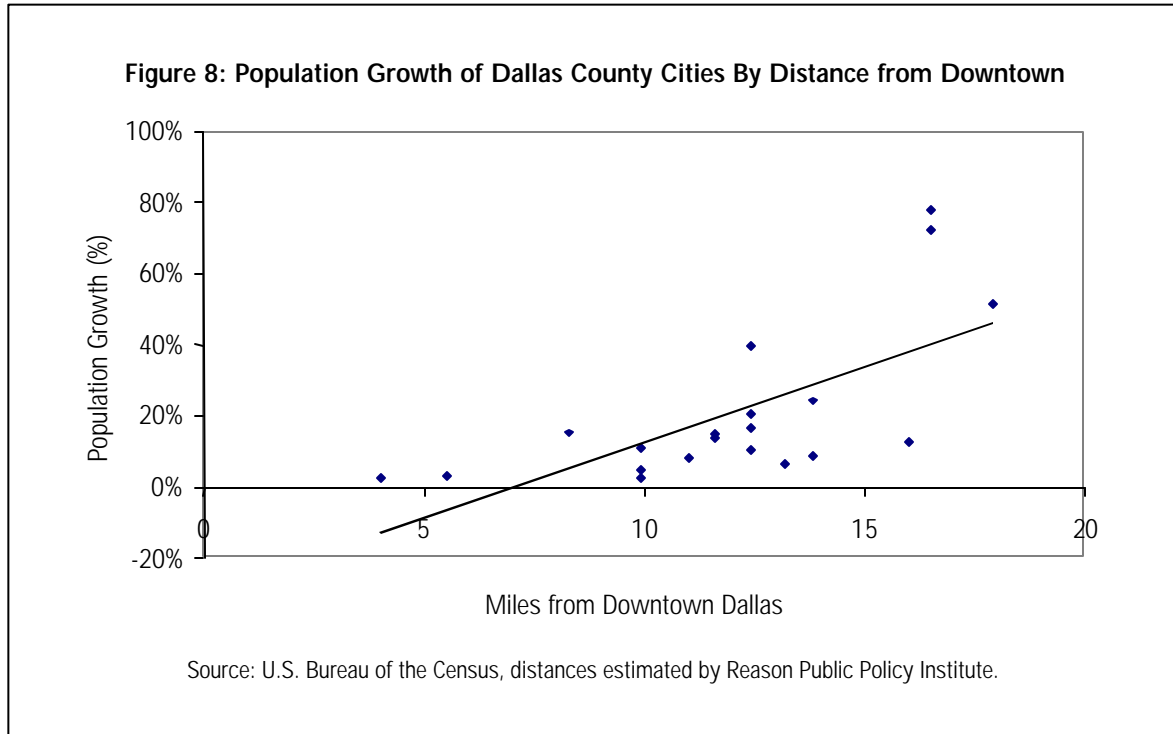
Population growth exhibits an even more pronounced effect by region. The fastest-growing cities tend to be in the northern half of the county (Rowlett, Addison, Carrollton, Richardson, etc.) and outside the beltway (Table 8). The slowest-growing cities tend to be in the southern half and inside the beltway (Highland Park, University Park, Balch Spring, Cockrell Hill, Cedar Hill, etc.). In the southern region, only Seagoville and Hutchins grew faster than the county average of 10.9 percent during this period.

When population growth is examined in terms of distance from downtown Dallas, population growth rates increase significantly the further they are from the downtown.

Table 8: Fastest Growing Dallas County Cities				
	City	Population 1990	Population 1999	% Change
1	Coppell	17,209	30,620	77.93%
2	Rowlett	23,347	40,223	72.28%
3	Sachse	5,388	8,171	51.65%
4	Addison	8,819	12,320	39.70%
5	Carrollton	83,167	103,311	24.22%
6	Sunnyvale	2,067	2,489	20.42%
7	Richardson	75,007	87,517	16.68%
8	Irving	155,779	179,520	15.24%
9	Grand Prairie	99,934	114,906	14.98%
10	Mesquite	102,179	116,179	13.70%
11	City of Dallas	1,011,044	1,076,214	6.45%

Source: U.S. Bureau of the Census.

When population growth is examined in terms of distance from downtown Dallas, population growth rates increase significantly the further they are from the downtown.⁹¹ Indeed, the fastest growing communities—Copell, Rowlett, and Sachse—are 15 miles from the downtown. All of the cities within the LBJ Freeway are among the slowest-growing communities.⁹²



3. Other Metropolitan Areas

Several older suburban communities are holding their own in terms of growth in population and property value, even in older East Coast cities that, on the whole, have not experienced the kind of rapid regional population and job growth seen in Sunbelt and Western communities. This is true both on Long Island, where the most prosperous suburbs are frequently those closest in to New York City (such as Great Neck or the Five Towns), and in Westchester County north of New York City, where much of the economic recovery has concentrated in suburbs closer to the urban core. Those communities are not the newer, outer suburbs—such as those in Putnam or Suffolk Counties—but are the older ones, some of which originally peaked four or five decades ago. In fact, the data suggest that lower office vacancy rates and higher rents are experienced in those closest to New York City—although these rates are far lower than those in Manhattan itself.

Indeed, contrary to the idea that the periphery always does better, in the New York City area it is often close-in suburbs—with easier access to the city’s core—that have done best. “In the Hudson Valley,” notes Michael J. DiTullo, President of the Mid-Hudson Pattern for Progress, a local economic development group, “every mile you get closer to New York City adds \$1,000 to the housing price.”

⁹¹ The Pearson correlation coefficient of 0.673 suggests a very strong statistical link.

⁹² In fact, Cockrell Hill experienced a small decline in population, falling from 3,761 in 1990 to 3,728 in 1999.

Table 9: Office Submarkets in Westchester County, New York

Submarket	Vacancy Rate	Asking Rent (low)	Asking Rent (high)	Average
North	11.00%	\$17.00	\$26.00	\$21.97
Harrison/Rye/East	10.70%	\$22.50	\$30.00	\$26.60
Greenburgh/West	3.40%	\$16.50	\$30.45	\$22.01
Mt. Vernon/Pelham/South	4.10%	\$16.00	\$25.00	\$18.89

Note: As of the second quarter 2000. Source: www.reis.com

Even when the relative location of the downtown is less consequential—as in Philadelphia—the same results apply. While some older suburbs, such as Chester and Upper Darby, fit the predictions of the declinists, others, particularly the older “Main Line” areas, remain among the most desirable locations for affluent residents. As is clear elsewhere, property tax maps reveal not a single trend, but a more nuanced view of older suburbs, with some clearly declining but many others resurging through the 1990s. The “case” of the new urbanists—that older suburbs face inevitable decline—is exaggerated and largely inaccurate.

In sum, not all midopolitan areas are declining. In fact, most seem to be holding their own, and several are thriving. Not surprisingly, it is those with the least to offer in terms of housing stock, quality of life, and basic infrastructure appear to be the ones that are struggling the most. These issues are explored further through an in-depth case study in the next section.

Part 4

The San Fernando Valley Case

The San Fernando Valley may be one of the nation's most famous post-World War II suburbs; it is also an excellent example of a midopolis. Before its annexation by Los Angeles in 1915 and the building of the Owens Valley aqueduct to supply water to the region, the area supported barely more than 3,000 people—a fraction of the 500,000 who already considered Los Angeles County home at the time.⁹³ Over the ensuing decades, “the Valley” developed from essentially farmland into a vast bedroom community and shopping mall haven for the Los Angeles’s expanding middle class. Following the path of other similar communities—the San Gabriel Valley in southern California, the Santa Clara Valley south of San Francisco, the sprawling cities north of Miami, and New York’s Long Island—the Valley grew rapidly in the 1950s and 1960s as city-dwellers fled to what was rural hinterlands at the time, where land was cheap and a good quality of life could be established not too far from places of work.

The Valley’s population quintupled between 1945 and 1960. By the 1980s, more than 1 million people called the Valley home. By 2000, 1.6 million people lived there.⁹⁴ More than three quarters (78.4 percent) of the Valley’s population lives in 27 “named” communities in the city of Los Angeles. The remainder lives in four independent cities: Burbank (106,480 people), Calabasas (20,455 people), Glendale (203,734 people), and San Fernando (24,722 people).⁹⁵ One-third of the city of Los Angeles’s population lives in the San Fernando Valley.

Like other midopolitan regions, the San Fernando Valley faces many daunting challenges, including a larger share of the county’s poor population and rising unemployment. The area also faces a challenge from its periphery, particularly the rapidly growing 101 Corridor stretching north into Ventura and Santa Barbara Counties as well as into Santa Clarita. Not surprisingly, some affluent residents and businesses have moved to outlying areas, including Ventura, Ojai, and Oxnard. Thus, the San Fernando Valley now has many of the characteristics of older inner-city suburbs. Indeed, a 1999 *Los Angeles Times* poll found considerably less satisfaction among Valley residents than those living in more peripheral areas such as Ventura and Orange Counties.⁹⁶

⁹³ Lawrence Jorgensen, ed., *The San Fernando Valley: Past and Present*, Book II (Los Angeles: Pacific Rim Research, 1982), p. 80.

⁹⁴ San Fernando Valley Economic Research Center, *Report of Findings on the San Fernando Valley Economy: 2000–2001* (Northridge, California: California State University/Northridge, n.d.), p. 7.

⁹⁵ A sixth city, Universal City, also exists but does not have any residents and occupies less than one square mile.

⁹⁶ Daryll Kennedy, “Suburbia Lost,” *Los Angeles Times*, October 24, 1999.

A. Real-estate Markets and the Economy

The San Fernando Valley is not, as some critics suggest, on its way to becoming a “crabgrass slum,” however. The Valley retains many strong economic and demographic assets. For example, it boasts a powerful concentration of technology-oriented companies. It also offers many of the advantages of both strong older suburbs and newer “nerdistans” (see Appendix), including strong schools, low crime, and upper-income demographics. In fact, the growth of the periphery is not economically marginalizing the Valley. On the contrary, the midopolises of the Valley are emerging as the center of the regional economy. The Valley has the most rapid growth occurring on its northern fringe, and is the one place in the Los Angeles area as a whole that is relatively convenient to the historic core—L.A.’s Westside—and the burgeoning “nerdistans” on the city’s periphery.⁹⁷ In a 1999 poll, convenience of location was cited by residents as their primary reason for living in the Valley.⁹⁸

The Valley’s economic strength can be seen in its office occupancy rates, now in the single digits and roughly half that of downtown Los Angeles. New, prime “Class A” office-building vacancy rates have fallen from 18 percent in 1991 to about 13 percent in 2000 (after a drop to under 12 percent in 1999).⁹⁹ In 1999, net occupied office rental space increased by almost 400,000 square feet. It can be seen in new commercial and industrial development rising from the eastern edges of Burbank and Glendale to the western fringes of Calabasas. It can be seen in the fact that the Valley, in contrast to downtown, actually is adding companies to its array of Fortune 500 firms, and, along with the Westside, increasingly dominates the ranks of the region’s fastest growing private firms.¹⁰⁰ Overall, by the end of the decade the economy of the Valley, measured by job creation, significantly outstripped that of the county.¹⁰¹

While the traditional functions of suburban communities have waned in the Valley, other factors have become more important as the economy has diversified. According to analysis by California State University/Northridge economist Shirley Svorny, the Valley boasts a sizable concentration of manufacturing employment and firms, ranging from garments to high-technology electronics.¹⁰² Although the Valley is not the preferred locale of the Hollywood elite, it remains the highly chosen locale for the working-class people of the entertainment industry and the digital age—the specialized suppliers, lesser known actors, producers, and directors (see box).

It is not just business that allows the Valley to offer such a pleasant way of living in Los Angeles—the Valley also retains an egalitarian character. While Los Angeles south of the Santa Monica Mountains is increasingly a city divided between Westside rich and Eastside poor, the Valley remains predominantly middle class; only four of Los Angeles’ 50 richest people live there (19 live in Beverly Hills). The Valley also has lower unemployment and a relatively small fraction of the city’s poor.¹⁰³

⁹⁷ Robert Monroe, “101 Business Paces L.A.,” *Daily News*, August 1, 2000.

⁹⁸ *San Fernando Valley Almanac 2000* (Van Nuys, California: Economic Alliance of the San Fernando Valley, 2000), p. 20.

⁹⁹ San Fernando Valley Economic Research Center, *Report of Findings on the San Fernando Valley, 2000–2001*, p. 17.

¹⁰⁰ Bob Howard, “Major Construction Projects Moving Ahead,” *Los Angeles Times*, October 10, 2000; Randy L. Drummer, “On Solid Ground,” *Real Estate Southern California* (April 2000); Gregory J. Wilcox, “Boomtown Time,” *Los Angeles Times*, March 29, 2000; John Brinsley, “L.A.’s Fastest Growing Not the Usual Suspects,” *Los Angeles Business Journal*, November 15, 1999; Gregory J. Wilcox, “Valley Growth Spurt,” *Los Angeles Times*, August 21, 2000; “Structural Changes,” *Los Angeles Business Journal*, June 1, 1998.

¹⁰¹ Karen Robinson-Jacobs, “Job Market in Valley Surged, New Study Says,” *Los Angeles Times*, November 3, 2000.

¹⁰² Shirley Svorny, Professor of Economics, California State University/Northridge, interview with author.

¹⁰³ Steve Carney, “Just Four of the County’s Richest Live in the Valley,” *Los Angeles Daily News*, May 23, 2000.

Entertainment and the Valley Economy

By the mid-1990s, the entertainment industry had replaced aerospace as the Valley's largest employer, a clear sign of this midopolis's ability to shift with the economic times.¹ Roughly half of the vast Los Angeles area's entertainment industries, employing over 60,000 people (or roughly twice as many people as work in the entire New York entertainment industry) work in the Valley. The Valley also may contain the nation's best-developed base of soundstages and recording studios.

The decisions to expand in the Valley by such large entertainment providers as Dreamworks, Disney, and Cartoon Network, suggest this primacy may be on the upswing.² The original presence of the giant studios, including Universal and Warner Brothers, is further enhanced by 5,000 small, often highly specialized creative-oriented firms that service the region's enormous cultural-industrial complex. In the year 2000, the generally high-paying entertainment industry accounted for some 26 percent of the Valley's private sector payroll and some 18 percent of its employment.³

¹ Walter Hamilton, "Valley Economy Transformed," *Los Angeles Daily News*, April 18, 1995.

² Shelly Garcia, "Disney's Glendale Campus to Fit New Media Needs," *Los Angeles Business Journal*, September 15, 1999.

³ Chris Sieroty, "Economy Sizzling in Valley," *Los Angeles Daily News*, November 3, 2000.

Although an increasing percentage of residents live in apartments and condominiums, the Valley still epitomizes for many the great middle-class ideal of owning a home in a sunny, safe, comfortable community. At a time in which real-estate prices on the Westside are out of the range of all but the wealthy (i.e., \$650,000 and above), and the average home in the Conejo Valley (north of the Valley) sells for nearly \$400,000, San Fernando Valley houses sell in the relatively modest \$200,000 and \$300,000 range. These relatively more affordable prices contribute to the Valley's above-average levels of home-ownership.¹⁰⁴

Not surprisingly, the residential market is strong. Apartment vacancy rates have fallen from double digits for most communities in 1996 to under 5 percent by March 2000.¹⁰⁵ Median home sale prices have increased steadily since 1996, and median prices range from \$130,000 in the northeast and central portions of the Valley to \$665,000 along the southern fringes at the foothills of the Santa Monica Mountains.¹⁰⁶ Although the area is approaching complete build-out, new residential construction topped \$500 million in 2000.¹⁰⁷

B. Poverty and Racial Diversity

The Valley is not simply a region of economic revival; it increasingly reflects the ethnic diversity of the wider region. Almost completely Caucasian in the 1950s, today the Valley is about half minority. By the 1960s, about nine out of 10 Valley residents were Caucasian. By 1980, however, as much as 25 percent of the population was a racial or ethnic minority. And by 1998, according to Los Angeles County estimates, less than 50 percent of the area's residents were Caucasian while Latinos accounted for 39.1 percent and Asians

¹⁰⁴ *San Fernando Valley Almanac*, pp. 50–54.

¹⁰⁵ San Fernando Valley Economic Research Center, *Report of Findings on the San Fernando Valley, 2000–2001*, p. 22.

¹⁰⁶ *Ibid.*, p. 23.

¹⁰⁷ *Ibid.*, p. 25.

accounted another 9.1 percent of the Valley’s population.¹⁰⁸ Moreover, demographic trends in the Valley suggest it is becoming even more diverse. During the 1990s, the Valley’s Caucasian population fell by 14 percent, while the Latino population increased 39 percent, and the Asian population increased by 31 percent.¹⁰⁹ Much of this population increase was a result of international immigration.

These changes are not viewed by local residents as an unalloyed benefit. According to a recent survey by the Economic Alliance of the San Fernando Valley, they are equally divided between those who think the immigration has been “good” for the community and those who feel it has made life worse. These changes also accompanied a rising concern among Valley residents about crime, although most Valley residents considered the area safer than the rest of Los Angeles.¹¹⁰

The midopolises of the San Fernando Valley are emerging as the center of the regional economy.

“Ghettoization” of some areas, particularly in the north Valley, has brought with it some degree of urban decay, particularly in older industrial neighborhoods in Pacoima.¹¹¹ In certain areas, dilapidated houses, crime, drugs, and gangs rival the worst conditions seen in more traditional inner-city areas of Los Angeles.¹¹² However, a wide range of communities exists within the Valley, some ethnically diverse while others are ethnically homogenous. Ten communities are at least two-thirds Caucasian, and all except two (Tujunga and Valley Village) have poverty rates significantly below the region’s average (17.8 percent).¹¹³ The city of San Fernando and the community of Pacoima, on the other hand, are almost completely Latino. Only one community, Lake View Terrace, has a large African-American population (20 percent), although its Latino population is 61.1 percent. A closer examination of Valley neighborhoods reveals a complex demography (see Table 10).

Race	Community Ethnicity		Ethnic Diversity Compared to Valley Median	
	(Mean)	(Median)	> median	< median
Caucasian	48.1%	45.6%	25.0%	75.0%
Hispanic	39.1%	29.4%	81.3%	18.8%
Black	3.0%	2.4%	31.3%	68.8%
Asian	9.1%	7.0%	50.0%	50.0%

Median poverty rate = 15.9%

Source: Distribution based on the number of communities with poverty rights higher than the median for the San Fernando Valley. Calculated from San Fernando Valley Economic Research Center, *Report of Findings on the San Fernando Valley Economy 2000–2001* (Northridge, California: California State University, n.d.), p. 48.

¹⁰⁸ San Fernando Valley Research Center, *Report of Findings on the San Fernando Valley Economy*, p. 48; “Changing Face of the Valley,” *Los Angeles Daily News*, November 19, 1999.

¹⁰⁹ *San Fernando Valley Almanac 2000*, p. 60.

¹¹⁰ *First Annual Survey of the San Fernando Valley* (Van Nuys, CA: Economic Alliance of San Fernando Valley, 2000).

¹¹¹ Patrick McGreevy, “Building a Case in the Northeast Valley,” *Los Angeles Times*, January 10, 2000.

¹¹² Patrick McGreevy and Hillary MacGregor, “Lack of Homes Plagues a Corner of Suburbia,” *Los Angeles Times*, August 27, 2000.

¹¹³ San Fernando Valley Economic Research Center, *Report of Findings on the San Fernando Valley Economy*, p. 48.

To develop a better understanding of the San Fernando Valley’s demographic diversity, the 31 communities that make up the San Fernando Valley (including the independent cities) were separated into high- and low-poverty communities based on whether their poverty rates were above or below the regional median of 15.9 percent. These communities were then classified by whether they had a relatively higher or lower concentration of a particular ethnic group. The results for relatively poor communities are reported in Table 10.

Twenty-five percent of the communities with high concentrations of Caucasian residents were in high-poverty communities. Meanwhile, 81 percent of the communities with high concentrations of Latino residents were in higher-poverty communities. More than two-thirds of the communities with African-American populations greater than the median (3 percent) were in low-poverty areas. Asian communities were split evenly between the high-poverty and low-poverty areas of the city. These data seem to support the concern that communities tend to be highly segregated, and that segregation is closely correlated with economic status.

This conclusion ignores a very important deviation from the statistical average, however: some neighborhoods are relatively affluent despite high concentrations of minority residents. Almost 85 percent of Arleta’s residents are minority, for example, but the community is still below the median poverty rate for the San Fernando Valley (Table 11). Three quarters of the population in Mission Hills is minority, but it ranks among the lowest poverty communities in the Valley. Similarly, more than one-third of the residents in Granada Hills are Latino, Asian, or African-American, but its poverty rate is less than 9 percent.

Community	Minority Share*	Poverty Rate
Arleta	84.2%	14.9%
Northridge	39.5%	13.8%
Burbank	40.6%	13.1%
Mission Hills	76.2%	12.0%
Granada Hills	38.6%	8.5%
Woodland Hills	21.8%	8.2%
West Hills	25.0%	5.1%
Chatsworth	31.6%	4.2%

Source: Total Asian, African-American, Latino, and Native American populations reported in San Fernando Valley Economic Research Center, *Report of Findings on the San Fernando Valley Economy 2000–2001* (Northridge, California: California State University, n.d.), p. 48.

For the most part, residential segregation is less extreme than on the south side of the Santa Monica Mountains, where the economic opportunities in the Valley are significant. When asked, 83 percent of Valley residents said they were “financially better off” in 2000 than they were five years ago.¹¹⁴ Rather than being made up of distinct ethnic pockets, much of the Valley is cross-quilted, with middle-class and working-class pockets often in close proximity, a nuance lost in statistical averages and medians. In many neighborhoods, unremarkable and even decrepit-looking boulevards surround tree-lined residential neighborhoods that are often quite comfortably bourgeois and exceptionally close-knit. In addition, much of the statistical decline in household incomes reflects neighborhood “filtering,” where lower income groups move into neighborhoods previously populated by higher income families.¹¹⁵

¹¹⁴ *San Fernando Valley Almanac 2000*, p. 62.

¹¹⁵ *Ibid.*, p. 62.

University of Southern California demographer Dowell Meyers has studied immigrant migration patterns in both Los Angeles and Washington, D.C. Dowell suggests that rising poverty in older ethnic suburbs reflects “the force of upward mobility” as newcomers move out of worse inner-city neighborhoods on their way towards a middle-class lifestyle.¹¹⁶ In short, the older suburbs of the San Fernando Valley increasingly reflect the diversity of the American population more broadly, and often provide the widest range of housing and employment opportunities.

C. Summary

The San Fernando Valley is not the kind of America preferred by most urbanists, new or old, who would rather live in more concentrated, traditional city geographies. Yet the Valley shows that progress toward a new, more coherent midopolitan identity can proceed without the help of urban visionaries. The successful development of pedestrian-oriented “urban villages” in places such as downtown Burbank, Sherman Oaks, Ventura Boulevard in Studio City, contradict the stereotype of valley districts as simply place-names obscured by mindless suburban sprawl.

Managing the midopolitan evolution into a more urbanized, multi-ethnic future in the digital age stands as one of the great challenges facing suburban regions such as western Cook County, Long Island, and the Santa Clara Valley. Traffic, congestion, gangs, and crime have eroded some of the allure of many of these older suburbs. Yet many midopolises like the San Fernando Valley remain economically and demographically vibrant regions whose best days may still lie ahead.

¹¹⁶ Peter Behr, “By the Numbers: Divided Over Immigrants’s Impact—One Study Sees Threat to the Suburbs, Another Sees Successes,” *Washington Post*, February 7, 2000.

Part 5

Immigration and Midopolitan Demographics

The midopolis may be replacing the inner city as the predominant melting pot of American society, a trend strongly suggested by the case study of the San Fernando Valley in the previous section. This can be seen across the nation, from the Chinese- and Latino-dominated suburbs east of Los Angeles, the Vietnamese enclave in the older northern suburbs of Orange County, to the new immigrant communities emerging in Houston, Dallas, Atlanta and other sunbelt cities. As in the inner cities, newcomers are often replacing predominately Anglo populations, who are moving further out to the periphery or back to the countryside.

This marks a sharp contrast to the immediate post-war era when these suburbs, like their high-tech workforces, remained highly segregated. Between 1950 and 1970, a period of intense suburban development, 95 percent of suburbanites were Caucasian.¹¹⁷ “The people you want for neighbors are here,” noted one ad for a Long Island development.¹¹⁸

The demographic shift in the midopolis started in the 1970s, when African-Americans began moving in large numbers to the suburbs. In the ensuing two decades, middle-class minorities and upwardly mobile recent immigrants have shown a marked tendency to replace Caucasians in the suburbs, particularly in the inner ring, increasing their numbers far more rapidly than their Anglo counterparts.¹¹⁹ Today, nearly 51 percent of Asians, 43 percent of all Latinos and 32 percent of African-Americans live in the suburbs.¹²⁰ This tendency towards greater diversity in the older suburbs can be seen across the country. The immediate suburbs around Denver, for example, experienced a 50 percent increase in their Latino populations during the 1990s.¹²¹

This development is particularly notable in those cities—such as Los Angeles, New York, San Francisco, Washington, Houston, and Miami—where immigration has been heaviest. The decline of aging suburbs, such as Upper Darby near Philadelphia and Harvey outside Chicago, are more a product of inner-city groups

¹¹⁷ Clark, Katzman, McKinzie, and Watson, *Three Generations in Twentieth Century America*, p. 469.

¹¹⁸ Teaford, *Post-suburbia*, p. 9.

¹¹⁹ *USC News Service*, “Study Projects Rising Poverty in L.A. Despite Immigrants’ Upward Mobility,” January 1997; Karen De Witt, “Wave of Suburban Growth is Being Fed by Minorities,” *New York Times*, August 14, 1994.

¹²⁰ *Technological Reshaping of America*, p. 93.

¹²¹ Burt Hubbard, “State’s Hispanic Population Grows 43%—Denver’s Suburbs Become More Diverse During the ’90s,” *Rocky Mountain News*, August 30, 2000.

moving outward than new immigration.¹²² Midopolitan regions that lack immigrants—such as New Orleans, Cleveland, St. Louis, and Indianapolis—now struggle to retain their attractiveness as Caucasians and affluent African-Americans flee to the outer suburbs.¹²³

The most heavily Asian midopolises in the nation are in Queens County in New York, Santa Clara and San Mateo counties in northern California, and Orange County south of Los Angeles. Both Queens and Fort Bend County (in suburban Houston) rank among the 10 most ethnically diverse counties in the nation.¹²⁴ Even traditionally “lily-white” suburban Detroit counties, such as Oakland and Macomb, or the outer suburbs of Baltimore, have also experienced a rapid growth in immigration.¹²⁵

Today these areas have become as ethnically distinctive, if not more so, than the traditional inner cities themselves. Some, like Coral Gables outside of Miami, have become both ethnic and global business centers, hosting the Latin American division headquarters of over 50 multi-national companies. Other places, like the San Gabriel Valley east of Los Angeles, have accommodated different distinct waves of ethnic settlement. Cities such as Monterey Park, Alhambra, and San Gabriel—as well as older Orange County suburbs, including Westminster, Fountain Valley, and La Habra—have become increasingly Asian in character; Whittier and La Puente have been transformed by Latino migration. In both cases, the movement is predominantly by middle-class homeowners. Often immigrant migration is seen by pundits as a sign of decline. However, in many cases, immigrant migration is really a reflection of a renewal of middle-class aspirations. “For us this isn’t a dream, this is reality,” notes Frank Corona, who moved to Whittier, southeast of downtown Los Angeles, from East Los Angeles. “This is a quiet, nice, family-oriented community.”¹²⁶

Today, nearly 51 percent of Asians, 43 percent of all Latinos and 32 percent of African-Americans live in the suburbs.

The key to understanding the midopolitan melting pot is in the changing needs of the immigrants. In contrast to the early 20th century, when proximity to inner-city services and infrastructure was critical, many of today’s newcomers are more dispersed due to our auto-oriented society. They need to stop only briefly, if at all, in the inner cities. Their immediate destination after arrival in the United States is more likely to be the San Gabriel Valley than Chinatown or the East Los Angeles barrios, or Fort Lee in New Jersey rather than Manhattan. Notes California State University/Northridge demographer James Allen: “The immigrants often don’t bother with the inner city anymore. Most Iranians don’t ever go to the center city and few Chinese ever touch Chinatown at all.”¹²⁷

¹²² Michael M. Phillips, “More Suburbs Find City Ills Don’t Respect City Limits,” *Wall Street Journal*, November 13, 1997.

¹²³ Richard P. Nathan, “Where the Minority Middle Class Lives,” *Wall Street Journal*, May 22, 1991; Alan Achkar, “Suburb’s Plight,” *Cleveland Plain Dealer*, March 23, 1998.

¹²⁴ “American Diversity: What the 1990 Census Reveals About Population Growth, Blacks, Hispanics, Asians, Ethnic Diversity, and Children—and What It Means to You,” *American Demographics*, Special Issue, 1991.

¹²⁵ Charles Hurt and Rusty Hoover, “Population Shifts Change the Face of Metro Detroit: Census Finds Rise in Minorities in Tricounty Areas,” *Detroit News*, September 4, 1998; Liz Atwood, “Minority Numbers Grow in Region; Population of Whites Decreasing as Racial, Ethnic Groups Grow,” *Baltimore Sun*, September 4, 1998.

¹²⁶ George Ramos, “With Better Homes and an Emphasis on Family, Neighborhood and School, North Whittier Is an Example of a Latino Middle Class Growing in Suburbia,” *Los Angeles Times*, December 6, 1997.

¹²⁷ James P. Allen, professor of demography, California State University/Northridge, interview with author.

Allen points to changes in his own community, the San Fernando Valley, but similarly dramatic changes have taken place across the nation. Many Asian immigrants to the New York City area tended to settle in suburbs such as Bridgewater or Palisades Park, New Jersey.¹²⁸ Twenty years ago, Queens County was New York's largest middle- and working-class Caucasian bastion, the archetypal domicile of mythical small homeowner Archie Bunker. Today it is—Queens—not Manhattan, the legendary immigrant center—that is easily the most diverse borough in New York, with thriving Asian, Latino, and middle-class African-American neighborhoods. Over 40 percent of the borough's businesses are now minority-owned, almost twice as high a percentage as Manhattan.¹²⁹

This movement parallels the earlier dispersion of Caucasian ethnic groups (i.e. Irish, Jewish, Italian), who moved to find a convenient location that had more of the living space and amenities associated globally with the “American way of life.” When Thomas Chen arrived in Manhattan in 1982, the crowding and din of the city's Chinatown took him aback. When it was time to locate his family and start his window-framing business, Chen chose to follow thousands of other Chinese to the suburb of Flushing, in Queens County:

*I had to find something that had more room but still had a Chinese infrastructure. Chinese started buying houses here and needed new window frames. It worked out this was a better place to do this business, and a better place to live. This is where the Chinese want to be.*¹³⁰

This alteration in the suburban fabric is particularly marked in the southern United States, which largely lacks the infrastructure of established ethnic inner-city districts. By 1996, over one and a half million Asians lived in the South; between 1970 to 1990, Georgia's immigrant population grew by 525 percent. Yet, since most center cities lacked established ethnic Asian or Latino communities, most new immigrants have clustered in the midopolitan regions instead. In Atlanta, for example—which has experienced some of the most rapid growth in immigration in the last two decades of the millennium—most foreign newcomers settle in the midopolis of DeKalb County and the newer suburbs of Gwinnet County.¹³¹

Demographic changes play a profound role in how midopolitan communities regain their footing in the digital age. The San Gabriel Valley, for example, has become the largest center of Chinese immigrants in the nation.¹³² Asian-American entrepreneurs have helped spawn over 1,200 computer firms, employing over 5,000 people and generating sales well over \$3.1 billion.¹³³ Other clusters of immigrant-run electronics businesses can be found the midopolises outside Dallas and Houston. Asian immigrants have also played a critical role in the burgeoning technological community around Washington, D.C., particularly in such fast-growing counties as Fairfax and Montgomery, where as many as one out of five migrants have come from overseas.¹³⁴

The most visible of these high-tech midopolitan hubs is Silicon Valley. Like the San Fernando and San Gabriel Valleys in Southern California, the area around San José has been dramatically transformed by immigration.

¹²⁸ David W. Chen, “Luxury Immigration: New Arrivals Move Directly to the Suburbs,” *New York Times*, December 29, 1999.

¹²⁹ U.S. Census Bureau, *1992 Economic Census* (Washington, D.C.)

¹³⁰ Thomas Chen, interview with author.

¹³¹ Janita Poe, “Immigrants Becoming Part of South's Y'all,” *Chicago Tribune*, February 22, 1998; Haya El Nassaer, “Asian Immigrants Changing the Makeup of the South,” *USA Today*, May 19, 1999.

¹³² Douglas Young, “China Valley: The Making of an Economy,” *Los Angeles Business Journal*, December 1, 1997.

¹³³ Yu Zhou, “Flexible Production, Ethnic Networks, and Territorial Agglomeration: Chinese Computer Firms in Los Angeles,” working paper for the University of Minnesota, March 9, 1994.

¹³⁴ Robert Suro, “Crossing the High-tech Divide,” *American Demographics* (July 1999).

Eighty percent Caucasian until the 1980s, Santa Clara County is now among the most diverse counties in the nation. Immigrants of all types and their families make up 60 percent of its population—three times the national average.¹³⁵

Asians Transform Silicon Valley's Business Climate

Ethnic change has added a powerful new element to Silicon Valley's high-tech economy. Most notable has been the contributions of Asian-American entrepreneurs. Asians started roughly 27 percent of all the valley's new enterprises between 1991 and 1996—twice their percentage in the 1980s.¹ "I believe the 90s is about immigrants in Silicon Valley—Asians in Silicon Valley," observed Berkeley researcher Anna Lee Saxenian, a leading authority on the Valley's development.²

This marks a major change from when David Lam first came to Santa Clara in the 1970s with a doctorate in chemical engineering from MIT and a restless energy natural to someone who had spent his life moving from China to Vietnam, Hong Kong, Canada, and the United States. At the time, he recalls, most Asian newcomers to the valley were seen as little more than high-tech "tools," workers with good attitudes and skills but little entrepreneurial fire. "In those days," recalls the soft-spoken Lam, "even the smartest VCs [venture capitalists] had stereotypes about what was a good CEO—what looked good on Wall Street—and I didn't have it. They looked at Asian Americans as being credentialed, but not people capable of running a sophisticated business."³

Increasingly, Asian and other immigrants were not content with serving as mere "tools" for use by those whose profile fit the approved "WASP" model. By 1996, according to a survey by the Public Policy Institute of California, Indian and Chinese executives ran 1,786 companies worth \$12.5 billion. These include such key companies as Solectron, Sybase, and a billion-dollar semiconductor equipment firm with the name of Lam Research.

Pursuant to these developments, believes David Lam, perceptions about immigrants changed markedly. "In the 1990s, [when] you look at the Silicon Valley, it's become commonly accepted to have immigrants, Asian or [otherwise]... to be seen as leaders and creative people," he reports. "It's become a natural part of the business environment."

¹ "The Digital Divide," *Economist*, April 17, 1999.

² "Asians Becoming an 'Influence' in High-tech," *San José Mercury News*, September 29, 1999.

³ David Lam, president, Lam Research, interview with author.

¹³⁵ Ariana Eunjung Cha and Ken McLaughlin, "Diversity Hits Home," *San José Mercury News*, May 13, 1999; Ariana Eunjung Cha, "Sorting Out An Identity," *San José Mercury News*, May 11, 1999.

Part 6

Toward the Urban Village of the Future

If the successes of Asians and other immigrant groups represent the success of the midopolitan melting pot, the demographic shift they have caused may also represent the potential long-term viability of some of these regions. In addition to entrepreneurs and scientists, however, these communities also have experienced the rapid expansion of less-educated populations that may be disconnected from the needs of the digital economy. Latinos, the fastest growing ethnic group in Silicon Valley, accounted for 23 percent of the region's population by the end of the 1990s but barely 7 percent of its high-tech workforce, for example. These statistics seem to dovetail with others: only 56 percent of Latinos graduate high school, and less than one in five takes classes necessary to get into college.¹³⁶

Due in part to the decline in educational levels, finding local skilled workers in the Silicon Valley has become increasingly difficult—as many as two-thirds of the new high-tech jobs go to people recruited from outside the area. It takes a month or two, according to a recent study, to find low-end workers in production or warehouse workers but up to six months to fill top administrative and technical jobs.¹³⁷ Minority and immigrant migration into older suburbs has brought with it certain challenges—large numbers of non-English speaking students, gangs, graffiti, and drug trade—usually more associated with inner-city neighborhoods. Such festering problems will present a challenge even to a midopolis such as Santa Clara County as it competes to maintain and grow its high-tech sectors against the geographic and demographic challenge of the “nerdistans.”

Viewing these developments, many new urbanists and their fellow regionalists see few future scenarios for midopolitan communities—absent powerful regional intervention—other than a broad process of ghettoization. This may be true for some areas, particularly those populated with smaller houses, older housing stock, deteriorating infrastructure, an under-educated population. These could become—as has occurred in the suburbs of such European cities as Paris—dysfunctional, balkanized losers in the new digital geography, caught between the glamour of the revived inner city and the well-groomed comfort of the “nerdistans.” The evidence reviewed in this study, however, suggests that the fate of midopolis does not need to be a dismal one, and the success of many of these communities around the country depends mostly on local entrepreneurs, government, and volunteer groups who can shape the future of these communities.

¹³⁶ “The Digital Divide,” *1999 Index of Silicon Valley*, Joint Venture Silicon Valley, pp. 23–24.

¹³⁷ *Joint Venture's Workforce Study* (Joint Venture Silicon Valley, 1999), pp. 5–7.

Immigrants Fuel Growth in Long Island

On the whole, immigration represents a powerful spur to midopolitan renewal. As an example, the old central core of the aging Long Island suburb of Hempstead was in permanent decline for years. Yet today, the once nearly deserted shopping area has become a beehive of activity, much of it fueled by newcomers from Central America and the Caribbean.¹

“When we opened 10 years ago, we were practically the only one,” recalls Robert Rivas, at his crowded Main Street restaurant, Anitjitos Salvadenos. “There wasn’t much going on. Now people are opening stores around here.” Such activity represents a major boon for Hempstead, New York and other old shopping districts that trace their lineage to the building boom following World War II. Once prosperous commercial hubs, many such areas suffered major declines in the 1970s and 1980s, victims of competition, new shopping centers, an aging population, and the continued push of affluent Caucasians further to the periphery.

The current commerce prevalent in downtown Hempstead—Latino record stores, a dance club, travel agencies, ethnic eateries—reminds one of the glory days of the 1940s and 1950s, when Hempstead was the upscale retail jewel for the burgeoning, virtually all-Caucasian, suburbs of central Nassau County. The Latino-led surge actually represents a marked improvement over earlier times. Salvadoreans in particular are “very entrepreneurial, and opening lots of small businesses,” says Glen Spiritus, Commissioner for Community Development for the Village of Hempstead. “The village is changing. We will never be what we were—the shopping center for all Long Island—but we’re better.”²

Spiritus credits Latinos—whose numbers in Long Island are estimated at roughly 200,000—and other immigrants for helping to reduce the downtown retail vacancy rate from nearly 70 percent in the early 1990s to around 10 percent. Instead of serving as a commercial destination for other suburbs, Hempstead’s new businesses now serve its immediate population—an innately healthy characteristic that bodes well for stability and future growth.

¹ *Long Island Voice*, September 2, 1999; Merrin Loues, “Caribbean-style Savings Help Build Business,” *Wall Street Journal*, October 17, 2000.

² Interview with author.

“It’s a different place now. We can go either way,” says Robert Scott, a former Los Angeles Planning Commissioner and leader of the San Fernando Valley’s drive to secede from Los Angeles. Scott grew up in the once all-Caucasian, now predominately Latino community of Van Nuys. “The Valley can become a storehouse of poverty and disenchantment, or it can become a series of neighborhoods with a sense of uniqueness and investment in its future.”¹³⁸

As Scott suggests, the best course for these new melting pots may be not so much clinging to their demographic past, but finding ways to seize the advantage of their more diverse roles, both economically and demographically. No longer homogeneous enclaves, midopolitan communities increasingly must draw their strength from the energies, skills, and cultural offerings of their increasingly diverse populations. In the 21st century it is likely that in the midopolitan expanses, rather than in the inner cities, the centuries-old national experiment with immigration and achievement of “the great American dream” will either succeed or fail.

There are already signs that in many communities, ethnic changes are creating more of a sense of community. Brisk commercial environments are thriving in many midopolitan areas. Chinese supermarkets, restaurants,

¹³⁸ Robert Scott, former planning commissioner for Los Angeles, interview with author.

shops, and banks are actually flourishing more in midopolitan areas such as Flushing, Mountain View, and Monterey Park than in the traditional Chinatowns of New York, San Francisco, and Los Angeles. Westminster's "Little Saigon" in Orange County has emerged as a national center for Vietnamese commerce and culture as well as a dynamic business center.¹³⁹

New shopping areas—which are magnets for the community—also are arising in the Latino sections of Panorama City, in the San Fernando Valley, and in Santa Ana, further south in Orange County.¹⁴⁰ These developments are critical, notes architect Ernie Vasquez, because they create a "signature" that give the older suburbs the very feeling of identity and uniqueness that many critics claim they are incapable of generating.

Although it is unlikely that midopolises can compete across the board with the sleek, modern areas, older neighborhoods and shopping streets provide interesting focal points for entertainment, retail, and ethnic marketing, as well as for the development of new arts and design communities. As Vasquez, who is helping design a new arts-centered district in Santa Ana, observes:

People create stereotypes about these areas that they are heavy-duty Latino, but they are also areas that have broad appeal to younger people and artists.... You have the opportunity in Santa Ana to create a place for all the people in Orange County, particularly the kids. Kids do not see white, black, or brown on their own, and they need places where they can experience each other. This county needs a place that has a walking experience. We shouldn't let Santa Ana fall off the ends of the earth—we should take advantage of our underutilized assets.

This process is not restricted to ethnic areas, it applies as well to many older suburbs that are more heterogeneous or even predominantly Anglo. What is increasingly seen as necessary—as many of the new urbanists themselves have suggested—is the development of a public spirit that can battle civic "amorphousness," as San Fernando secession leader Robert Scott describes it.

Developing this sense of identity is also an economic imperative. For the most part, this is most successful when generated from the ground up, usually by smaller cities that have close connections with local businesses and residents. This process can be seen in a host of successful midopolitan communities, like Bellmore on Long Island, Mountain View and Redwood City in the Bay Area, Alhambra in the San Gabriel Valley, and Bellevue, Washington.¹⁴¹ Ellen Dean, who has led the redevelopment effort in Downer's Grove, a middle-class suburban town of 48,000 about 25 miles west of Chicago, sees the city's retail and economic future lying along its old Main Street. "Companies call now, and one of their first questions is 'what is your downtown like?'" she reports. "A lot of cities are getting into the idea that the 'big box' [i.e. large, chain retailers] is the future—but the [big box] product can be gotten on the Internet. We think specialty retailers like the ones here are the future, and so is the downtown. The future is more interactive and people-friendly."

The attempt to redo downtown Downer's Grove—many of whose brick buildings date back to the turn of the century when it was a small farming community—reflects a broader trend seen in other smaller communities around the country, including the nearby Chicago suburb of Highland Park, Santa Monica, and Pasadena near Los Angeles, which have invested heavily in downtown redevelopment, often with economically enviable results.

¹³⁹ Stanley Karnow, "In Orange County's Little Saigon, Vietnamese Try to Bridge Two Worlds," *Smithsonian* (August 1992); Quyen Do, "Cultural Center Seen as Good for Business," *Orange County Register*, January 23, 1996.

¹⁴⁰ Irene Garcia, "A Colorful Makeover," *Los Angeles Times*, January 3, 2000.

¹⁴¹ Mintcho Petkov, "Edge City Morphology: A Comparison of Commercial Centers," *Journal of the American Planning Association*, Vol. 64, No. 3 (Summer 1998), pp. 298–310.

The Internet and the Future of Downtown

The move back to “Main Street” is being prompted, among other things, by the explosive growth of Internet commerce. Electronic retailing, notes redevelopment specialist Ellen Dean, threatens to siphon off an ever-greater share of city retail sales taxes, particularly in such standbys as airline tickets, books, records, everyday dry goods and—most importantly—automobile sales. “I was shocked when one of our car dealers told me that 25 percent of his sales [are] now [from] the Internet,” Dean recalls. “That’s the kind of thing that makes me shake in my boots.”

This is one of the factors prompting some cities and small towns to reconsider their approach to retail development and move away from commodities sold in “big box” developments, strip centers, and malls, and toward more entertainment- and leisure-oriented experiences such as historic shopping districts that are less vulnerable to cyber-pressure. However, advocates of this shift also realize that most sales and property taxes, the source of most city funds, come from precisely these very malls and big boxes that are becoming retail “dinosaurs.”

To compensate, Dean and others look upon the restoration of Main Street. This compact area is home to many essential city services—the village hall, the post office, and the library—and has an intimate walking character rare amid the numbness that is characteristic of much suburban retail development. Downers Grove’s 300 business include the city’s one brew-pub, a consignment store, independent bakeries, a locally owned five-and-dime, and the still-operational vintage Tivoli Movie house, built in 1928. Adjacent to Main Street lies Fischel Park, a popular spot for outdoor concerts.

“Downtown provides something unique—the entertainment/meet-and-greet venue,” explains Dean, relaxing over a soda at the pub. “This can’t be duplicated on the Internet at all. Virtual reality is not reality. This is.”

Source: Ellen Dean, Director of Economic Development, Downers Grove, Illinois, interview with author.

A. Locally-driven Solutions Renew Midopolis in the Digital Age

Like the leaders of traditional cities, midopolitan leaders need to focus on using assets to improve the quality of life in their communities. Although the halcyon days of traditional suburbia are gone forever, these places now serve as laboratories for the creation of a new and important archetype of the American future city.

In many ways, this new reality reflects many values that new urbanists and their supporters also embrace: livable communities, restored Main Streets, and ethnic diversity—in short, true urban villages. The older midopolises, such as those in California’s San Gabriel Valley, epitomize the very intra-ethnic dynamism once associated with America’s core cities.

Cities such as the predominantly non-Caucasian Walnut are examples of successful inter-racial communities in which Latinos, African-Americans, Asians, and Anglos seem to work together successfully. In this decidedly middle-class town—the average family income is \$64,000 a year—all three groups seem committed to building a truly inter-racial community, and its schools, often centers of racial disputes, are models of ethnic cooperation.¹⁴²

¹⁴² Ann-Marie O’Connor, “Learning to Look Past Race,” *Los Angeles Times*, August 25, 2000.

The critical question is how, and at what level, can the new midopolitan community be sustained? Midopolises that have done best are most often those that take control of their own fate. The Los Angeles area, arguably the leading national example of urban sprawl, also boasts the most successful communities: Smaller, independent cities such as Burbank, Glendale, Culver City, and West Hollywood that have generally enjoyed among the highest increases in property assessments, particularly in comparison with adjacent city of Los Angeles (see Part Three).¹⁴³

Burbank, located to the northeast of Los Angeles, is perhaps the most obvious example of locally-driven success. Faced with the collapse of the aerospace industry that was the town's economic lynchpin, the city administration built a new economy base by installing an advanced fiber-optic loop around the city and working assiduously to convince its other major industry—entertainment—to stay and expand.¹⁴⁴ The city fathers also addressed the kind of “soft” issues raised by Ellen Dean in Downers Grove, and labored specifically to enrich its “sense of place” by developing a successful, walkable central core in what was once laughingly termed “beautiful downtown Burbank.” Given that the new digitally-oriented society enables greater choice of location,¹⁴⁵ Burbank deliberately chose to make theirs more pleasant for both businesses and individuals by prioritizing technological advancement as well as entertainment, shopping, and convenience in its downtown area.¹⁴⁶

The economic results as stated above, have been significant. In addition, Burbank has other lessons for many smaller midopolitan communities. It is not a wealthy, nor particularly beautiful town; indeed its community was historically blue-collar. But by nurturing its small-town feel, turning itself into “an urban village,” and working closely with local industries, it has staged one of the most remarkable business turnarounds in the nation in the past decade.

These developments succeed, in part, because they use a local consensus, not a regional one. They fit within the bounds of political acceptability, and are built around businesses that already have been attracted to or established in the area.

Size may help make a difference in the success or failure of a community. Smaller communities seem more accessible to citizens and allow for greater flexibility. The appeal of smaller communities underpins the strong support for both expanded neighborhood governance in parts of the San Fernando Valley as well as powerful secessionist movements there and in other areas of Los Angeles. It is clear that much of what drives people from cities and from older suburbs is due to governments that do not work.

The local approach seems to make political sense as well as economic sense. Whatever the merits of the new urbanist agenda, political reality suggests that there is precious little public support for expanding the role of regional governments. Since the 1920s, the vast majority of attempts to annex land around major cities have been soundly defeated, as have attempts to force suburban areas into broader metropolitan governments.¹⁴⁷ Opposition increasingly comes not only from privileged suburbanites but also from minority politicians, who fear, with some justification, that consolidating jurisdictions will lessen their own political self-determination.

¹⁴³ Stephanie Stassel, “Region’s Cities Tout Rising Values,” *Los Angeles Times*, August 10, 2000; Neal Templin, “Show Biz Boom Boffo for L.A. Burbs,” *Wall Street Journal*, January 17, 1997.

¹⁴⁴ City of Burbank Web site, www.burbankca.org/redevelopment/bizclim.html.

¹⁴⁵ Kotkin, *The Future of the Center*, p. 30.

¹⁴⁶ Bob Tague, community redevelopment director, City of Burbank, interview with Geoffrey Segal, policy analyst, Reason Public Policy Institute, February 2000.

¹⁴⁷ Carl F. Horowitz, “Will American Inner Cities Dismantle Growth Boundaries?” *The Journal of Social, Political, and Economic Studies*, Vol. 19, No. 1 (Spring 1994), pp. 45–63; Teaford, *Post-Surburbia*, pp. 109–125.

Lessons Learned From Burbank

- ✍ Create a place for people to shop, entertain, and just “hang out;”
- ✍ Encourage foot traffic and connect it to other micro-communities;
- ✍ Provide excellent municipal services: infrastructure and, most importantly, schools;
- ✍ Create a safe environment through top-notch police and fire services;
- ✍ Create a friendly, cooperative business climate;
- ✍ Invite new businesses with a non-burdensome tax and regulatory structure;
- ✍ Keep government small and accessible to the public, fostering a sense of civic pride;
- ✍ Develop a specific niche for the economy and the community; and
- ✍ Remain flexible and adaptable to change.

Source: Interviews with Burbank city staff by Geoffrey Segal, Reason Public Policy Institute, February 2000.

William Fulton, in *The Reluctant Metropolis*, shows how attempts to consolidate regional power in greater Los Angeles under the aegis of the Southern California Association of Governments (SCAG) could not enforce policies since its disparate members were too busy promoting their own agendas. However enlightened or unenlightened the views of SCAG planners, their efforts were (and remain) largely ineffectual. Fulton compares SCAG’s executive director, Marc Pisano, to the last leader of the failed Union of Soviet Socialist Republics. By the late 1990s, Pisano “looked like the Mikhail Gorbachev of regional planning, working desperately to hold together an empire no one else thought had any reason to exist.”¹⁴⁸

Other political forces could also be working in favor of the midopolis. Rapid growth on the periphery of urban areas—and in some cases within the urban core—is creating major pressures against economic expansion in these regions. Ventura, Alameda, and Sonoma Counties in California; Boulder, Colorado; Broward County, north of Miami; and other midopolises have all seen the rise of strong anti-growth movements.¹⁴⁹

Indeed, many of the trends that are now emerging in America—the increasing number of childless families, lengthening commutes, the upward mobility of immigrants, and the attractiveness of older Main Streets—all point to a stronger recovery for midopolitan communities. This resurgence will not rescue all communities any more than all inner cities have been rejuvenated, but many will succeed, particularly if localities adopt pro-market policies appropriate to their situation.

There is nothing assured, but in the midopolitan future the conditions are far from hopeless. The continued growth, diversification, and economic health of these communities stands in marked contrast to much of the conventional wisdom of planners, academia, and the media.

¹⁴⁸ William Fulton, *The Reluctant Metropolis: The Politics of Urban Growth in Los Angeles* (Port Arena, California: Solano Books, 1997), pp. 156–159.

¹⁴⁹ Christopher Woodard, “Ventura County Growth Battle Has Wide Implications,” *Los Angeles Business Journal*, August 10, 1998; Ginny McKibben, “Arapahoe County Weighs Urban Growth Land ‘Move,’” *Denver Post*, September 11, 2000; Michael D. Shear, “Allen’s Pro-Growth Legacy Still Clouded,” *Washington Post*, October 5, 2000; Richard A. Oppel, “Curbs on Urban Sprawl Appear on Many Ballots,” *New York Times*, November 4, 2000.

Appendix

Exurban Growth and the Emergence of “Nerdistans”

The decline of the older suburbs in the 1970s and 1980s drove growth out to the urban periphery, even further away from established major metropolitan markets. Smaller-scale, science-based cities emerged in such places as Austin, Salt Lake City, and Raleigh-Durham.¹⁵⁰ Many of these exurban developments took the form of “master-planned” communities, like Irvine in Orange County, or the peripheral planned suburbs on the outskirts of Houston, which are now home to such firms as Compaq Computer Corporation and a growing number of energy companies.¹⁵¹

Communities such as these cannot be described as either “suburbs” in the conventional sense or even as “edge cities” attached to the periphery of a major city. They neither depend upon the core city for employment, like many older suburbs, nor seek to duplicate the traditional functions of the urban core, as is the case of featureless, ill-defined conventional “overgrown” suburbs that have emerged as exurban business hubs.¹⁵²

Instead, these communities can best be described as “nerdistans”—new urban regions built on their attractiveness to the rising technological elite. Recruitment concerns, not taxes or regulations, drive the nerdistan phenomenon, notes Nancy Tullos, Human Resource Manager at Broadcom, a firm that relocated in the late 1990s from Los Angeles to Irvine. Tullos recalls how, at the company’s previous location in the San Fernando Valley, she was forced to route visitors carefully so that they could avoid adjacent strip malls, decaying barrios, and abandoned defense plants. “I used to give them maps to get there so they wouldn’t have to see what’s on DeSoto Avenue,” she recalls mirthfully.

More than anything, successful nerdistans seek to eliminate all the kinds of distractions—crime, traffic, commercial blight—that have commonly been endemic to cities and, later, midropolitan areas as well. Although nerdistans often lack the social diversity and cultural richness traditionally associated with more urban areas, these are features that many engineers and scientists seem more than willing to dispense with in order to escape social and other pathologies.

In a sense, nerdistans are a revisioning of the suburban dream, albeit a less egalitarian one. Rather than provide a home and garden to the average worker, the nerdistan seeks primarily to lure only the better-educated, more affluent workers critical to the digital economy. In a sense, they parallel the vision that Daniel

¹⁵⁰ These include such cover stories as Maguerite T. Smith, “The Best Places to Live in America,” *Money*, September, 1994; Kenneth Labich, “The Best Cities for Knowledge Workers,” *Fortune*, November 15, 1993; “Thirty Best Cities for Small Business, in *Entrepreneur*, October 1995; Ross C. DeVol, “Metro Growth: How Dependent on High-tech Success?” *Regional Special Study*, WEFA Group, August 1997.

¹⁵¹ Neal Templin, “The Lure of Planned Suburbs: No Yard Sales, Just Two Pets,” *Wall Street Journal*, October 7, 1998.

¹⁵² Kenneth Labich, “The Geography of an Emerging America,” *Fortune*, June 27, 1994, p. 27.

Bell outlined in his *The Coming of Post-industrial Society*: a science-based society wherein power and privilege would shift to a new, technocratic elite. Scientists, engineers, and technocrats, Bell believed, were destined to become “the hierophants of the new society.”¹⁵³

The notion of securing a geographic locale for these new “hierophants” was in fact evident as early as the 1960s. San Diego, for example, based much of its urban development strategy on attracting an array of advanced, science-based industries by providing an ideal environment for the scientists, engineers, and other personnel critical to their operation. Instead of reaching for the masses and a wide spread of industries—as had occurred in great cities like New York, Chicago, and Los Angeles—San Diego was developed with the notion of creating a qualitatively better, “clean” city economy that would require little in the way of smokestacks, city railways, or low-cost housing.¹⁵⁴

In this emerging formula parks, schools, and amenities would replace low taxes and loose regulation as the primary tools of industrial development. Aware of the often single-minded work orientation of technological employees, and the demanding marketplace that their companies operated in, care was given to craft an environment where the traditional hassles of community life would be kept to a minimum. In the early 1960s, J.R. Dempsey, the president of a General Dynamics missile plant outside San Diego and a resident of the posh, tightly zoned, oceanfront community of La Jolla, explained:

*Most of our waking moments and energies are spent building missiles and other things. When we leave the plant, we tend to look for relaxation and not to participate in community affairs...I don't like to go to civic dinners or lunches because it takes time. Time is our most precious commodity.*¹⁵⁵

This lifestyle stands in marked contrast to both the community-oriented civic policies of the traditional small town and the emerging problems of an increasingly under-educated workforce in the midopolis. In their physical aspect as well, nerdistans mark a departure from the traditional city or older midopolis. Built to accommodate only certain kinds of industries and workers, they generally eschew intense concentrations of high-rise buildings and massive factory complexes, favoring instead more campus-like environments, often with landscaped walkways and access to bikeways and other recreational facilities.

Much of this has to do with the perceived workstyles of these usually highly educated skilled workers, who need to collaborate at work not only with each other, but also between research, engineering and, manufacturing departments.¹⁵⁶ Once fully developed, this kind of workspace and community tends to accelerate the geographic concentration of such workers and the firms that seek to employ them. With well-trained technology workers and premium sales people, notes Richard Holcomb, president of the Raleigh-based Haht Software, firms located in such places reap enormous advantages. For Haht, two-thirds of whose 100 North Carolina-based employees are “techies,” the presence of large numbers of larger technology firms—including Data General, IBM, and Burroughs-Wellcome—provides a large pool of seasoned workers critical to growing startup businesses and, later, to established ones.

“Here, you can live where the weather is good, you can get a house on a lot 15 minutes from work, and it’s a good place to raise kids,” Holcomb points out. “You can also get a great job and, if this one doesn’t work, you can just go down the road.” Seth Effron, a Raleigh-based political analyst, also sees values as part of the

¹⁵³ Bell, *op. cit.*, p. 13.

¹⁵⁴ Kevin Starr, *The Dream Endures: California Enters the 1940s* (New York City: Oxford University Press, 1997), pp. 105–114.

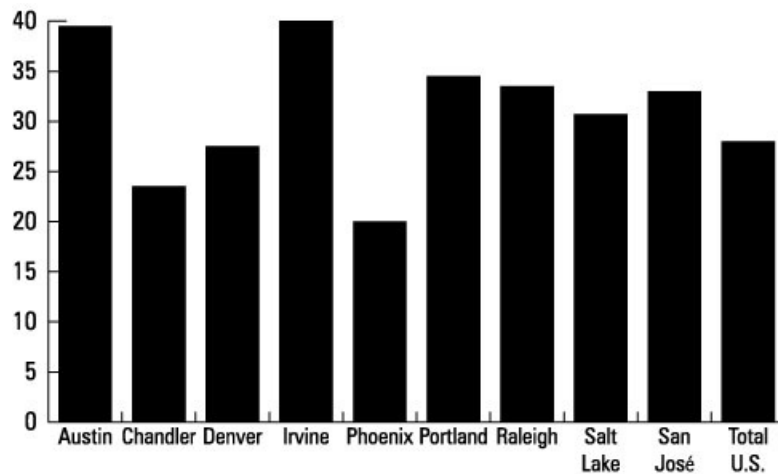
¹⁵⁵ Morgan, *op. cit.*, pp. 30–31.

¹⁵⁶ Richard Gordon and Linda M. Kimball, *Industrial Structure and the Changing Global Dynamics of Location in High Technology Industries*, Silicon Valley Research Group, Working Paper No. 3 (January 1986).

appeal of such areas to some migrating urbanites. Cary, North Carolina, whose population has grown from 3,000 people in 1960 to over 71,000 25 years later, has so many new residents from the north that local wags refer to it as a “containment area for refugee Yankees.”¹⁵⁷

Ultimately it is the elite, educated character of such communities, not the traditional factors of race, religion, or politics that defines their niche in the current post-industrial geography. Highly educated workers characterize such cities as Austin, Chandler (Arizona), Irvine, and Raleigh, with the percentage of college graduates and workers with advanced degrees well above the national average.¹⁵⁸ Nearly 30 percent of Irvine’s population, for example, may be non-Caucasian, but over 50 percent has at least a bachelor’s degree, compared to roughly 30 percent for all of Orange County and 20 percent for the country in general.¹⁵⁹

Figure 9: Demographics of Degreed Populations in Midopolis College Graduates as Percentage of Adult Population (Associates, Bachelors, Masters, Ph.D.)



Source: Doug Morrison, “High-tech Cities: Why Do They locate Where they Do?” working paper (Malibu, California: Davenport Institute for Public Policy, Pepperdine University, Spring 1999).

The success of nerdistan marks a major shift in the geography of wealth and power in the 21st century. Rather than being built to appeal to the egos of traditional top executives, who often crave proximity to a “big-city” stage, nerdistan can thrive without achieving giant scale or being located near a powerful global city. Indeed, David Russo, director of human resources at SAS Institute in Cary, North Carolina, believes there is something in the very nature of these technical workers that attracts them not to brighter lights, but to space that is newer, better planned, and more orderly. From his office at SAS’s sprawling, campus-like facility, Russo observes:

*It’s all in the mindset of the engineers. They might grouse about not being in a big-league town, but the tradeoff is there’s not much traffic [in a] high-speed environment. Engineers and software people are folks whose whole lives are based on logic and order, so this place appeals to them.*¹⁶⁰

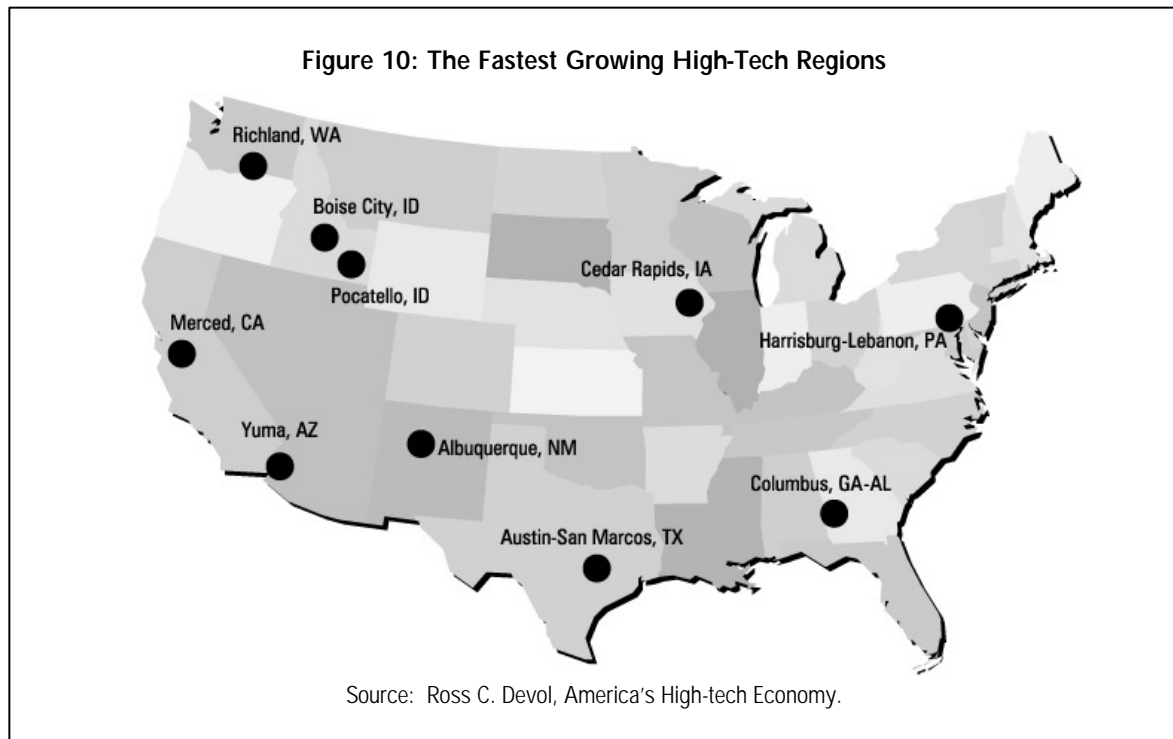
¹⁵⁷ “Triangle Facts,” Cary Chamber of Commerce (Cary, North Carolina, 1996), p. 3.

¹⁵⁸ Doug Morrison, “High Tech Cities: Why Do They Locate Where they Do?” Davenport Institute for Public Policy, Pepperdine University, Malibu, California, unpublished paper, Spring 1999.

¹⁵⁹ Irvine Chamber of Commerce, Claritas, California, 1996.

¹⁶⁰ Interview with author.

Viewed from an even wider lens, it is possible that growth in the economy could prompt residential growth even further out. By century’s end, the fastest rates of growth were already moving from the midopolises and the nerdistans to even less metropolitan environments, such as Albuquerque, Boise, Boulder, and Cedar Rapids.¹⁶¹ Employment in technology-based businesses and industries has been surging in these areas far more than in the established centers of the Northeast and California—most notably in Idaho, Nevada, Montana, the Dakotas, and Colorado, which now has a higher concentration of such workers than Massachusetts.¹⁶²



Some predict this “back-to-the-country” movement could foreshadow not only rising resegregation but also the deagglomeration of even the most skilled professionals from the major urban areas to smaller ones.¹⁶³ As one University of Nebraska analyst suggests:¹⁶⁴

*We are right on the edge of a new form of social and economic organization. We are rapidly approaching the point where technology empowers people to live anywhere in the United States. People will be able to take their families and their skills and settle somewhere based on the quality of life, not how close they'll be to a big city job market.*¹⁶⁵

¹⁶¹ Labich, “The Geography of An Emerging America,” *Fortune*, June 27, 1994; Ross C. DeVol, *America's High-Tech Economy*, p. 71.

¹⁶² *Cyberstates Update*, American Electronics Association (1998), pp. 62, 69.

¹⁶³ John C. Shepard, “The New Economy of the Great Plains,” *Economic Development Quarterly* (November 1993), pp. 403–410.

¹⁶⁴ “Study Projects Rising Poverty in L.A Despite Immigrants’ Upward Mobility,” *USC News Service*, January 1997.

¹⁶⁵ Bill Richards, “Many Rural Regions Growing Again—A Reason: Technology,” *Wall Street Journal*, November 21, 1994.

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